



Tom Tindall  
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*To enrich lives through effective and caring service.*



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## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

February 16, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

11 FEBRUARY 16, 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVE ENERGY EFFICIENCY PROGRAM  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
(3 VOTES) (ALL DISTRICTS)**

### **SUBJECT**

Authorize the Director of the Internal Services Department to enter into an agreement with Southern California Edison and Southern California Gas Company to implement energy projects in various County facilities with funds provided by the California Public Utilities Commission (CPUC) and find that the approval of this action is exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the approval of this action is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).
2. Authorize the Director of the Internal Services Department (ISD) or his designee to negotiate and execute an Agreement to Jointly Deliver the 2010-2012 Los Angeles County/IOU Energy Efficiency Partnership Program (Agreement) substantially similar in form to attachment with Southern California Edison (SCE) and Southern California Gas Company (SCG) to implement energy projects in various County facilities with funds provided by the California Public Utilities Commission (CPUC).

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommendation is to authorize ISD's Director or his designee to negotiate and execute the Agreement (Attachment A) with SCE and SCG to allow ISD to complete energy efficiency projects within County facilities throughout SCE and SCG service territories. These projects will result in electricity and gas savings for the County.

This program is a continuation of the partnership program approved by your Board in August 2006. The projects completed included retro-commissioning of County facilities, mechanical retrofits, controls and other equipment retrofits. This highly successful program saved over \$2 million in annual utility costs. In 2009, your Board approved an amendment to the 2006-08 partnership contract to allow the program to continue into 2009 until the CPUC issued a final decision for the next three year cycle. On October 1, 2009, the CPUC issued its approval of the 2010-2012 program.

The 2010-12 partnership program has been awarded \$4.2 million by the CPUC. This program will continue to focus on identifying energy efficiency activities in County facilities in support of the recently adopted County of Los Angeles Energy and Environmental Plan. Efficiency measures to be implemented include retrofits, retro-commissioning, education and training for facility and maintenance personnel, new construction design assistance and the installation of new technologies for energy efficiency.

### **Implementation of Strategic Plan Goals**

These energy savings projects support Goal Number 1 of the County's Strategic Plan, Operational Effectiveness, by investing in the public infrastructure and including actions to meet the goal of a 20 percent reduction in energy and water usage in facilities by 2015.

### **FISCAL IMPACT/FINANCING**

Partnership funds will be used to fully or partially offset project costs. Partnership funds will fully offset the total costs for retro-commissioning projects and any education and training. Qualifying retrofit projects that are (or will be) funded from other sources will receive a rebate/incentive to offset a portion of the total project costs. Such projects include lighting, heating, ventilating and air conditioning upgrades, upgrades to pumping systems and new construction. ISD will work in conjunction with other County departments to identify retro-commissioning and retrofit projects and other sources of funding as necessary. Other sources of funding may include grants, rebates/incentives received for past completed projects, or County funds.

ISD provides administrative and project management services to support the partnership program. The cost for ISD's services are offset by the Utility budget indirect rate.

Sufficient appropriation is available in ISD's Fiscal Year 2009-10 budget to complete this fiscal year's planned projects. In future fiscal years, ISD's Utility budget requests will reflect sufficient appropriation for planned project costs.

It is anticipated that the 2010-12 partnership program will result in an estimated annual utilities savings to the County of approximately \$1 million annually after all projects are identified and

implemented.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under the Agreement and in conjunction with the CPUC order, SCE will be responsible for overall program administration which includes disbursement of all funding and reporting program status to the CPUC. The Agreement also defines each partner's individual responsibilities and identifies specific implementation plans. ISD will either competitively bid and contract for the retro-commissioning and retrofit projects and implement the associated energy savings measures utilizing its Energy Efficiency Project Master Agreement (EEPMA) vendors or use in-house craft services as applicable. ISD will also provide technical assistance including site selection and project screening, project management, use of energy management information systems and coordination with County facility managers and tenants.

The partnership will also investigate non retro-commissioning retrofits and other cost-effective projects because they could receive incentives or be implemented under this program. For example, qualified energy projects that ISD is developing for possible implementation using other funding sources could be fully or partially funded under this program. The partnership will also work closely with Public Works' design teams on new construction projects to identify new construction efficiency measures that could qualify for partnership rebates and incentives.

Per the CPUC Program requirements, all projects must be completed by December 2012.

The Agreement has been approved as to form by County Counsel.

## **ENVIRONMENTAL DOCUMENTATION**

The approval of this Agreement is exempt from CEQA pursuant to Section 15301 of the state CEQA guidelines because the services to be performed under the Agreement consist of minor alterations to public facilities and/or equipment involving no expansion of existing use.

## **CONTRACTING PROCESS**

The Agreement defines the roles and responsibilities for each of the parties. SCE and SCG will provide overall administration and reporting to the CPUC. ISD will conduct the bidding processes using the EEPMA approved by your Board and contract for all project implementation. Retro-commissioning projects will be funded through the partnership for all work completed. Other projects that are funded from another source will receive a rebate to offset a portion of the costs. ISD will manage all projects, oversee daily work progress and provide coordination with other County departments in all County facilities.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Upon completion of the projects, inefficient and outdated equipment will have been replaced, the facilities mechanical systems will function at optimal performance and the County's utility costs will be reduced.

Respectfully submitted,

A handwritten signature in dark ink that reads "Tom Tindall". The signature is written in a cursive, slightly slanted style.

TOM TINDALL  
Director

TT:NH:ynj

Enclosures

c: Chief Executive Officer  
Executive Office, Board of Supervisors  
County Counsel

**AGREEMENT TO JOINTLY DELIVER THE 2010-2012  
LA COUNTY/IOU  
ENERGY EFFICIENCY PARTNERSHIP PROGRAM**

**BY AND AMONG**

**THE COUNTY OF LOS ANGELES,**

**SOUTHERN CALIFORNIA GAS COMPANY**

**AND**

**SOUTHERN CALIFORNIA EDISON COMPANY**

This program is funded by California utility ratepayers and administered by the Utilities under the auspices of the California Public Utilities Commission.

THIS AGREEMENT TO JOINTLY DELIVER THE 2010-2012 LA COUNTY/IOU ENERGY EFFICIENCY PARTNERSHIP PROGRAM (the "Agreement") is effective as of January 1, 2010 ("Effective Date") by and among SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), SOUTHERN CALIFORNIA GAS COMPANY ("SCG"), and THE COUNTY OF LOS ANGELES ("LA COUNTY"). SCE and SCG may be referred to herein individually as the "Utility" or collectively as the "Utilities". The Utilities and LA County may be referred to herein individually as a "Party" and collectively as the "Parties."

### RECITALS

WHEREAS, the Parties previously executed the Agreement To Jointly Deliver The 2006-08 LA County/IOU Energy Efficiency Partnership Program, dated January 23, 2006 (the "06-08 Agreement");

WHEREAS, on July 21, 2008, as amended on March 2, 2009, the Utilities submitted their respective applications (Applications") for the implementation of energy efficiency programs to be delivered to California utility customers for the years 2009 through 2011, which included the LA County/IOU Energy Efficiency Partnership Program (hereinafter referred to as the "Program"), involving the joint delivery of energy efficiency projects at Los Angeles County facilities located in SCE and SCG service territories;

WHEREAS, on October 16, 2008, the California Public Utilities Commission ("Commission") issued a Decision Adopting Bridge Funding For 2009 Energy Efficiency Programs ("Bridge Funding Decision") allowing the Utilities to expend funds to continue certain 2006-2008 energy efficiency programs into 2009, and effective January 1, 2009, the Parties executed an Addendum to provide an extension of the 2006-08 Agreement pursuant to the Bridge Funding Decision;

WHEREAS, on October 1, 2009 in D.09-09-047, the Commission approved the Applications for an extended cycle for the years 2010 through 2012; and

WHEREAS, the Parties desire to enter into an agreement that sets forth the terms and conditions under which the Program shall be implemented for the cycle 2010-2012.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

#### **1. DEFINITIONS**

All terms used in the singular will be deemed to include the plural, and vice versa. The words "herein," "hereto," and "hereunder" and words of similar import refer to this Agreement as a whole, including all exhibits or other attachments to this Agreement, as the same may from time to time be amended or supplemented, and not to any particular subdivision contained in this Agreement, except as the context clearly requires otherwise. "Includes" or "including" when used herein are not intended to be exclusive, or to limit the generality of the preceding words, and means "including without limitation." The following terms, when used herein with initial capitalization, will have the meaning specified in this Section 1:

HOA.669612.12

- 1.1. Agreement: This document and all exhibits attached hereto and incorporated herein, and as amended from time to time.
- 1.2. Amendment: A future document executed by the authorized representatives of all Parties which changes or modifies the terms of this Agreement.
- 1.3. Approved MBCx or RCx Project: Those certain MBCx or RCx projects on or for a specified LA County facility that have been approved by the Management Team in accordance with Section 5.2.2 below and this Agreement.
- 1.4. Approved New Construction Project: Those certain new construction projects on or for a specified LA County facility that have been approved by the Management Team in accordance with Section 5.2.3 below and this Agreement.
- 1.5. Approved Project(s): An Approved MBCx, RCx Project, Approved New Construction Project or Approved Retrofit Project.
- 1.6. Approved Retrofit Project: Those certain retrofit projects on or for a specified LA County facility that have been approved by the Management Team in accordance with Section 5.2.1 below and this Agreement.
- 1.7. Authorized Budget: The Commission-approved total for performance by all Parties of the Authorized Work is set forth in the Program Implementation Plan (PIP) for each Utility, attached hereto and incorporated herein as Exhibit A-1 for SCG and Exhibit A-2 for SCE, and which includes the following:
  - a. the budget for LA County facilities in SCG's service territory is \$\_\_\_\_\_;
  - b. the budget for LA County facilities in SCE's service territory is \$\_\_\_\_\_;
- 1.8. Authorized Project Budget: The maximum approved budget for each Approved Project, as the case may be, which shall be funded by the Utility(ies) that service LA County facilities where such Approved Retrofit Project or Approved RCx Project is located.
- 1.9. Authorized Work: The work authorized by the Commission for the Program as set forth in Exhibit A, and as further agreed by the Parties to be performed pursuant to Section 4.1 of this Agreement.
- 1.10. Business Day: The period from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.
- 1.11. Calendar Day: The period from one midnight to the following midnight, including Saturdays, Sundays, and holidays. Unless otherwise specified, all days in this Agreement are Calendar Days.

- 1.12. LA County Project Package: The documents attached hereto as Exhibit C which shall be submitted for each Approved Retrofit or MBCx or RCx Project, describing the project, the Authorized Project Budget, estimated energy savings, projected completion date, invoice procedures, Utility payment schedule, and a sample Project Invoice.
- 1.13. Commissioning Agent: A Contractor hired to perform such Approved MBCx or RCx Projects as authorized herein.
- 1.14. Contractor: An entity contracting directly or indirectly with a Party to furnish services or materials as part of or directly related to such Party's Authorized Work obligations.
- 1.15. Cost Share: Each Utility's share of LA County's non-incentive Program Expenditures based on such Utility's contribution to LA County's aggregate Authorized Budget as set forth in Section 1.6 (a) and (b) and provided that such Program Expenditure is to be borne by all Utilities. Each Utility's Cost Share shall be, as of the Effective Date, 25% for SCG 75% for SCE for non-incentive Program Expenditures. Each Utility shall process and pay its incentives based on such Utility's incentive level and guidelines.
- 1.16. Eligible Customers or Customers: All LA County facilities taking electric and/or gas service from the Utilities, provided, however, in the event any Program Expenditure is made for the benefit of only one Utility or its service territory, than such Program Expenditure shall be borne entirely by that Utility.
- 1.17. Energy Efficiency Measure (or Measure): As used in the latest version of the Commission's Energy Efficiency Policy Manual, currently Version 4, August 2008.
- 1.18. EM&V: Evaluation, Measurement and Verification of the Program pursuant to Commission requirements.
- 1.19. Gas Surcharge: The funds collected from gas utility ratepayers pursuant to Section 890 et al. of the California Public Utilities Code for public purposes programs, including energy efficiency programs approved by the Commission.
- 1.20. Management Team: A team comprised of a representative of each Party, which shall have the authority vested to it herein, and which shall perform the duties specified herein.
- 1.21. MBCx or RCx Project: The Program element consisting of: (a) installation of energy system monitoring equipment in designated LA County facilities, at the building system and/or building subsystem level, in order to identify energy efficiency savings opportunities and (b) implementing the Energy Efficiency Measures/actions needed to achieve those savings.



- 1.22. PIP or Program Implementation Plan: The Parties' plans for implementing the Program in each Utility's service territory, submitted to the Commission as part of each Utility's Compliance Filing for 2010-2012 energy efficiency programs, and attached hereto and incorporated herein for each Utility as follows: Exhibit A-1 for SCG, Exhibit A-2 for SCE.
- 1.23. Program Funds: The monies which fund LA County/IOU Program including PGC and/or Gas Surcharge and/or other approved funding sources (e.g., authorized procurement funds).
- 1.24. Project Team: A team comprised of a representative of each Party, which shall have the authority vested to it herein, and which shall perform the duties specified herein.
- 1.25. Public Goods Charge (PGC): The funds collected from electric utility ratepayers pursuant to Section 381 of the California Public Utilities Code for public purposes programs, including energy efficiency programs approved by the Commission.
- 1.26. Savings By Design (SBD): Savings By Design is a state-wide program encouraging high-performance building design and construction.  
<http://www.savingsbydesign.com/overview.htm>

## **2. PURPOSE**

The Program is funded by California utility ratepayers, and is administered by the Utilities under the auspices of the Commission. The purpose of this Agreement is to set forth the terms and conditions under which the Parties will jointly implement the Program. The work authorized pursuant to this Agreement is not to be performed for profit.

Notwithstanding the use of the word "partnership" or "partner" in this Agreement, this Agreement is not intended to and does not form any "partnership" within the meaning of the California Uniform Partnership Act of 1994 or otherwise.

## **3. PROGRAM DESCRIPTION**

The Program was designed to achieve immediate, long-term peak energy and demand savings and establish a permanent framework for sustainable, comprehensive energy management programs. This Agreement will continue and expand upon the 2006-2008 partnership programs. The Program will continue to offer incentives for retrofit projects, monitoring based commissioning, retro-commissioning, and funding for educational training for LA County personnel.

The Utilities implemented the 2006-2008 program with the goal of extending the reach and effectiveness of traditional utility programs by using LA County Energy Management Office to provide communication and outreach channels to achieve broad penetration of energy efficiency services at LA County facilities. The Utilities would like to continue the engagement of LA County Energy Management Office as strategic partners that help reach facilities and end-use customers through Program activities, and as channels for the Utilities' other energy efficiency and demand reduction programs.

The Program will leverage the experience gained from past program cycles to improve delivery and increase participation. This will include:

- Improved outreach to facilities for a more effective training and education program.
- Offering funding levels that encourage LA County projects with energy savings and demand reduction potential.
- Capitalizing on the infrastructure developed from past program cycles to reduce administrative costs and improve cost effectiveness.

#### **4. AUTHORIZED WORK**

- 4.1. Scope. The over-arching scope of work authorized by the Commission for the Program is set forth in the Program Implementation Plans (PIPs) attached hereto as Exhibit A (i-ii) for each respective Utility's service territory. From the PIPs, the Utilities and LA County shall mutually agree on the specific work to be performed pursuant to the terms of this Agreement, which shall be the Authorized Work.
- 4.2. Objectives. The Program shall meet the objectives and goals set forth in the PIPs.
- 4.3. Pre-Approved 2010-2012 Projects. All retrofit, MBCx, RCx, and new construction projects that were committed and approved by the Management Team and the applicable Utility between January 1, 2009 and the Effective Date of this Agreement shall be deemed "Approved Projects" for purposes of this Agreement. A list of these pre-approved projects is set forth in Exhibit F.

#### **5. OBLIGATIONS OF THE PARTIES**

- 5.1. Generally. Each Party shall perform its Authorized Work obligations in conformance with the deliverables, schedules and budgets associated with such Authorized Work as set forth in this Agreement and the respective PIP of each Utility, and shall furnish the required labor, equipment and material with the degree of skill and care that is required by current professional standards.
- 5.2. Procedures for Engaging in Authorized Work.
- 5.2.1. Energy Efficiency Retrofits.
- a. LA County shall identify proposed retrofit projects at its facilities and each respective LA County facility shall provide the Project Team with a completed LA County Project Package, which shall include without limitation documentation regarding feasibility, schedule, projected costs and projected energy savings. Any LA County facility requesting a project under this Agreement may request assistance from the Utilities in developing project documentation as needed.
  - b. Upon receiving all necessary or requested information from the respective facility, the Project Team shall submit the requested retrofit project to the Management team for review, and the Management Team shall review the proposed retrofit

projects with regard to overall project feasibility, schedule, costs, and projected energy savings. The Management Team must reach a unanimous decision on whether to approve or reject each proposed project, provided however, that the Utility(ies) that provide service to the proposed project facility may overrule any Management Team decision. The Management Team shall set the Authorized Project Budget for each Approved Retrofit Project.

- c. LA County, through its facilities, shall be responsible for installing the Approved Retrofit Projects, and, if necessary, selecting and hiring Contractors to install the Approved Retrofit Projects.

5.2.2. Monitoring-Based Commissioning (MBCx) or Retro-Commissioning (RCx).

- a. LA County shall identify proposed MBCx or RCx Projects at its respective facilities and each respective facility shall provide the Project Team with a completed LA County Project Package, which shall include without limitation documentation regarding feasibility, schedule, projected costs and projected energy savings. Any facility requesting a MBCx or RCx Project under this Agreement may request assistance from the Utilities in developing project documentation as needed.
- b. Upon receiving all necessary or requested information from the respective facility, the Project Team shall submit the requested MBCx or RCx Project to the Management team for review, and the Management Team shall review the MBCx or RCx Projects with regard to overall project feasibility, schedule, costs, and projected energy savings. The Management Team must reach a unanimous decision on whether to approve or reject each MBCx or RCx Project, provided however, that the Utility(ies) that provide service to the facility requesting the MBCx or RCx Project may unilaterally overrule any Management Team decision. The Management Team shall set the Authorized Project Budget for each Approved MBCx or RCx Project.
- c. LA County, in consultation with the Management Team, shall conduct a public competitive selection process to select one or more qualified Commissioning Agents to perform or assist in the completion of the Approved MBCx or RCx Project. The Management Team shall unanimously approve each and any Contractor's scope of work for any Approved MBCx or RCx Project(s) authorized or undertaken under this Agreement.
- d. If upon the unanimous consent of the Management Team it is deemed necessary for one Party to conduct a bid process for (i) the purchase of equipment/software, (ii) the hiring of any Contractor(s) or Commissioning Agent(s), needed for the Approved MBCx or RCx Projects, or (iii) any other work or materials authorized herein, the Management Team shall select one Party who shall conduct such bid process, with the advice and consent of the other Parties, provided however, that the selection of any such the equipment/software and Contractor(s) or

Commissioning Agent(s) shall be subject to the unanimous approval of the Management Team.

- e. LA County, through its facilities, with assistance as needed from the MBCx or RCx service providers, shall:
  - (i) install as needed the monitoring systems that will be used to identify energy savings opportunities in the buildings of the Approved MBCx or RCx Projects;
  - (ii) monitor energy usage in the buildings of the Approved MBCx or RCx Projects;
  - (iii) prepare a report of the actions and/or Energy Efficiency Measures that can be taken or implemented to reduce energy usage;
  - (iv) implement Energy Efficiency Measures and take actions sufficient to achieve the savings;
  - (v) identify additional retrofit or other projects that could be undertaken to achieve additional savings; and
  - (vi) provide the Utilities with information as needed for the reports required in Section 8 below, by the Commission, for other Commission purposes or at the request of the Utilities.
- f. The Utilities, at the request of LA County may assist in the implementation of Approved MBCx or RCx Projects.

#### 5.2.3. New Construction.

- a. LA County, individually or collectively, may identify proposed new construction projects at their respective facilities, and each facility shall sign a letter of intent (LOI) to start the review and approval process. The facility shall develop the proposed new construction project via its own design team or with assistance from the applicable Utilities to develop the project with estimated energy savings and demand reduction in order to establish the project agreement. At such point, the facility will provide the Project Team with a completed LA County Project Package, which shall include without limitation documentation regarding feasibility, schedule, projected costs and projected energy savings. Any facility requesting a project under this Agreement may request assistance from the Utilities in developing project documentation as needed.
- b. Upon receiving all necessary or requested information from LA County, the Project Team shall submit the requested new construction project to the Management Team, and the Management Team shall review the proposed new construction project with regard to overall project feasibility, schedule, costs, and projected energy savings. The Management Team must reach a unanimous decision on whether to approve or reject each proposed new construction project, provided, however, that the Utility(ies) that provide service to the proposed project facility may overrule any Management Team decision. The Management

Team shall set the Authorized Project Budget for each Approved New Construction Project.

- c. For each Approved New Construction Project, LA County, on behalf of its respective facilities, shall utilize each applicable Utility(ies)'s Partnership New Construction Program Agreement ("PNCP") process (or other similar Savings By Design process) in obtaining commitment and approval from such Utility(ies) for such Approved New Construction Project. Details for the PNCP are substantially similar to those set forth at [www.savingsbydesign.com]. Neither LA County nor its facilities shall be entitled to any payments under this Agreement or Application for an Approved New Construction Project unless and until all such documentation required to be submitted to and executed by the applicable Utility(ies) under the PNCP process have been so submitted and executed by the applicable Utility(ies). Upon receipt of such documentation, incentive payments shall be made by the Applicable Utility(ies) to the respective facilities in accordance with the PNCP Program and as referenced in Exhibit D to this Agreement.

5.2.4. Energy Efficiency Education and Best Practices Development and Training.

- a. The Parties will develop and implement a Training and Education ("**T&E**") program for LA County facilities that offers energy efficiency training in the following areas: new construction, retrofits, and commissioning/retro-commissioning.
- b. If, upon the unanimous consent of the Management Team, it is deemed necessary to engage one or more Contractors to assist in development and delivery of the T&E program, then the Management Team shall unanimously select one or more of the Utilities to engage a Contractor.
- c. The Parties will develop and share case studies of best practice operating methods and technologies applicable to LA County facilities, including the development of a best practices manual covering such topics as new construction, retrofits, and retro-commissioning (RCx) and monitoring-based commissioning (MBCx).

- 5.3. EM&V Plan. Once the Commission has approved and issued an EM&V plan for the Program, such EM&V plan shall be attached to this Agreement as Exhibit B and shall be incorporated herein by this reference. Any subsequent changes or modifications to such EM&V plan by the Commission shall be automatically incorporated into Exhibit B.

**6. ADMINISTRATION OF PROGRAM**

6.1. Decision-making and Approval.

- 6.1.1. Unless otherwise specified in this Agreement, the following actions and tasks require approval of the affected Parties:
  - a. Any action that materially deviates from a PIP.

- b. Any action that materially impacts a PIP's schedule.
  - c. Any action that materially impacts the Authorized Budget, the applicable Authorized Project Budget or the Program's budgets described in the PIPs.
  - d. Selection of any Contractor not previously approved by the Parties.
- 6.1.2. Unless otherwise specified in this Agreement, the Parties shall document all material Program decisions, including, without limitation, all actions specified in Section 6.1.1 above, in meeting minutes or if taken outside a meeting, through written communication, which shall be maintained in hard copy form on file by the Parties for a period of no less than five (5) years after the expiration or termination of this Agreement.
- 6.2. Lead Utility. The Utilities hereto authorize and appoint SCE to be the primary administrator of the Program ("Lead Utility"). The Lead Utility shall be responsible for:
- 6.2.1. Monitoring the overall progress of the Authorized Work, to ensure that the Program remains on target (including achieving the Program's energy savings and demand reduction goals) and on schedule, and meeting all reporting and other filing requirements;
  - 6.2.2. Administering PGC and Gas Surcharge funds authorized by the Commission for the Program, and if applicable, reimbursing LA County for Program Expenditures authorized in accordance with such LA County Authorized Budget and Section 9 below;
  - 6.2.3. Coordinating the preparation of all Program-related documents, including all required reporting pursuant to Section 8, and any such other reporting duties as may be required, provided however, that each Party shall be solely responsible for complying with any Commission reporting requirements in their entirety;
  - 6.2.4. Coordinating the Parties' Program activities to ensure that the Program remains on target and on schedule, and meets all reporting and other filing requirements;
  - 6.2.5. Coordinating with other existing or selected programs that the Utilities offer, including programs targeting low-income customers, to enhance consistency in rebates and other Program details, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing expenditures; and
  - 6.2.6. As applicable, coordinating with LA County, to facilitate Program implementation.

Notwithstanding the above, the Lead Utility shall not be responsible for the performance or non-performance hereunder of any other Party, nor shall the Lead Utility be obligated to remedy any other Party's defaults or defective performance.

- 6.3. Regular Meetings. The Parties, the Management Team and the Project Teams shall meet on a regular basis during the term of this Agreement, but no less than quarterly, at a location reasonably agreed upon by the Parties, to review the status of the Program's deliverables, schedules and the budgets, and plan for upcoming Program implementation activities. Any decision-making shall be reached and documented in accordance with the requirements of Section 6.1 above.
- 6.4. Regular Communication. The Parties agree to communicate regularly with the other Parties and to advise the other Parties of any problems associated with successful implementation of the Program.
- 6.5. Limitation on Responsibility. Notwithstanding the foregoing, a Party shall not be responsible for the performance or non-performance hereunder of any other Party, nor be obligated to remedy any other Party's defaults or defective performance.

## **7. DOUBLE DIPPING PROHIBITED**

- 7.1. No Party shall knowingly provide an incentive to a Customer, or make payment to a Contractor who is receiving compensation for the same product or service either through another ratepayer-funded program, or through any other ratepayer-provided funding source.
- 7.2. The Parties shall take reasonable steps to minimize or avoid the provision of incentives or services for the same measures provided under this Program from another program or other funding source ("double-dipping").
- 7.3. LA County and its respective facilities represent and warrant that they have not received ratepayer-provided incentives or services for the measures provided for under this Agreement or the Program from another utility, state or local program.
- 7.4. Neither LA County nor its facilities shall apply for or take incentives or services for the measures provided for under this Agreement or the Program from another utility, state or local program.
- 7.5. LA County agrees that the Program shall receive 100% of the related energy benefits specified in the PIPs for the life of each measure provided for under the Program.
- 7.6. No Utility shall knowingly provide an incentive or service for a measure to a LA County facility that is receiving incentives or services for the same measure through another PGC or Gas Surcharge funded program or any other ratepayer provided funding source.

- 7.7. Nothing in this Agreement should be construed to preclude the leveraging of incentives, loans, programs or services from another utility, federal, state or local program that are not funded from the same PGC Funds or Gas Surcharge Funds.

## **8. REPORTING**

The Parties shall implement those reporting requirements set forth in Exhibit E attached hereto and incorporated herein by this reference, as the same may be amended from time to time, or until the Commission otherwise requires or issues different or updated reporting requirements for the Program, in which case and at which time such Commission-approved reporting requirements shall replace the requirements set forth in Exhibit E in their entirety.

## **9. PAYMENTS**

- 9.1. Authorized Budget. The total Authorized Budget for performance by all Parties of the Authorized Work is provided in Section 1.7 of this Agreement and further delineated in each PIP. No Party shall be entitled to compensation in excess of the amounts approved in Section 1.7 or the PIPs' budget worksheets, or as increased or amended with additional funding, for such Party's Authorized Work obligations. However, if the Parties agree to and execute any fund shift in accordance with Section 9.7 below, then each Party shall be entitled to compensation up to, but not exceeding, the total amounts in the amended PIPs' budget worksheets, as revised to reflect such fund shift, for such Party's Authorized Work obligations.

- 9.2. Payment of Approved Project Incentives.

9.2.1 Incentive Payments for Approved Projects. The respective LA County facility upon which an Approved Project has or will be performed shall invoice the applicable Utility for 100% of the Approved Project's incentive payment, upon the demonstration by LA County to the reasonable satisfaction of the applicable Utility that the Approved Project has been installed and/or completed and is ready for its intended use.

- 9.3. Payment of Approved Program Expenditures. On occasion, LA County may be entitled to reimbursement for the actual cost (i.e., no mark-up for profit or other indirect costs) of certain reasonable and documented expenditures of LA County that are pre-approved in writing by the Utilities, and directly identifiable to and required for the Authorized Work under this Agreement (but excluding administrative, labor or overhead costs of the Agency). Program Expenditures may be included as part of an Authorized Project Budget for an Approved Project, or may be related to training, technical support or other Authorized Work as described in the PIP.
- 9.4. Approved Project Invoices. To be entitled to PGC and/or Gas Surcharge Funds for Incentives or Program Expenditures related to or for Approved Projects, LA County shall prepare and submit an invoice to the applicable Utility(ies), using the Project Invoice format contained in LA County Project Package, which is attached hereto as Exhibit C, and which shall include all documentation reasonably necessary to substantiate the invoice, including all such costs as set forth in Section 7 of Exhibit E, and this Section 9.2, including without limitation, the following:



- (i) Customer name, address, telephone number;
- (ii) The type, quantity and cost of each measure installed or received;
- (iii) The date each payment was provided and/or each measure was installed or received; and
- (iv) Copies of all Contractor, Commissioning Agent and/or subcontractor invoices. If only a portion of the subcontractor costs applies to the Program, clearly indicate the line items and/or percentage of the invoice amount that should be applied to the Program.

9.4.2. Rejection of Invoice. Each Utility reserves the right to reject any invoiced amount for any of the following reasons:

- (i) The invoiced amount, when aggregated with previous Program Expenditures or previous payments to LA County for the Approved Project, exceeds the amount budgeted therefore in the Authorized Project Budget, the Authorized Budget, or any invoiced amounts, in whole or in part, are in excess of the amounts approved pursuant the Authorized Project Budget or such other amounts provided for in this Agreement.
- (ii) There is a reasonable basis for concluding that such invoiced amount(s) is/are unreasonable or not directly identifiable to or required for the Approved Project or Authorized Work, the PIP or the Program.
- (iii) The invoiced amount, in whole or in part, in the Utility(ies)' sole discretion, contains charges for any item not authorized under this Agreement, by the Utility(ies) or by the Commission, or is deemed untimely, unsubstantiated or lacking proper documentation, provided however, that such Utility shall not unreasonably withhold such approval.

Each Utility shall review each submitted invoice, and either approve or reject for payment within thirty (30) Calendar Days of receiving of the invoice.

9.4.3. Dispute of Invoice. Each Utility may dispute any Program Expenditure that it has received an invoice for by submitting to LA County a written explanation of the dispute within thirty (30) Calendar Days of the date that the Utility received the invoice. Thereafter, the Utility shall determine the additional performance required from LA County, modification required to LA County's invoice, or such other action as may be required of LA County, which the Utility shall then request from LA County. Disputed or rejected amounts will be resolved pursuant to Section 14.

9.4.4. Maintenance of Documentation. LA County shall maintain for a period of not less than five (5) years beyond the date of expiration or termination of this Agreement, all documentation reasonably necessary to substantiate payments of Incentives or Program Expenditures, including, without limitation, the

documentation set forth in this Section 9, provided however, that LA County shall promptly provide, upon the reasonable request by the Lead Utility, any documentation, records or information requested in connection with the Program, an Approved Project or the Authorized Work.

- 9.5. Reconciliation of Program Expenditures. If this Agreement is terminated pursuant to Section 23, then LA County shall reconcile any Incentives or Program Expenditures incurred or accrued pursuant to contractual or other legal obligations for each Approved Retrofit Project, Approved New Construction Project or Approved MBCx/RCx Project as of the effective date of termination against any remaining Program Funds for such Project, and shall promptly return any unspent Program funds to each Utility, as appropriate.
- 9.6. Shifting Funds. The Utilities may shift Program funds, among all 2010-12 energy efficiency categories and programs authorized by the Commission to the maximum extent permitted under, and in accordance with, Commission decisions and rulings to which the Program relates; provided, however, that any such fund-shifting shall not become effective unless and until notification of such fund-shift is provided to the Lead Utility. Upon such notice, the Lead Utility shall increase or reduce the Authorized Budget accordingly.
- 9.7. Reasonableness of Expenditures. Each Party shall bear the burden of ensuring that its Program Expenditures are objectively reasonable. The Commission has the authority to review all Program Expenditures for reasonableness. Should the Commission, at any time, issue a finding of unreasonableness as to any Program Expenditure, and require a refund or return of the PGC or Gas Surcharge funds paid in the reimbursement of such Program Expenditure, the Party who incurred such Program Expenditure and received reimbursement under this Agreement shall be solely and severally liable for such refund or return.
- 9.8. Refund of Program Funds. With respect to any amount subject to refund to the Commission pursuant to any subsequent Commission decision or ruling, should the Commission determine that a refund is due and seeks to recover such refund, the amount due shall be returned as directed by the Commission, within 30 days of receipt of written notice that payment is owed, as follows: (1) if the refund is attributable to an overpayment of Program funds to a Party, then that Party shall be solely liable for such refund; (2) if the refund is attributable to an unreasonable expenditure, then the Party who (i) incurred such Program expenditure and received reimbursement therefore under this Agreement, or (ii) was otherwise entitled to receive reimbursement under this Agreement but did not actually receive reimbursement due to receipt of an equivalent offset, shall be solely liable for such refund; (3) for any other refund, each Party shall be solely liable for its pro-rata share, determined by calculating the percentage of the total overall Program expenditures represented by each Party's reimbursements of Program expenditures (both actual reimbursements and those to which the Party was otherwise entitled but did not receive due to receipt of an equivalent offset). Nothing in this provision is intended to limit a Party's right to pursue administrative or other remedies available with respect

to a Commission decision or ruling. A Party's approval of any action which is the responsibility of another Party under this Agreement shall not shift the corresponding responsibility with respect to any overpayment or unreasonable Program Expenditure. Notwithstanding the foregoing, any overpayment of Program funds to a Party (the "Receiving Party") shall be immediately due and payable by the Receiving Party, upon demand therefor, to the Party who made the overpayment, and the Party who made the overpayment shall have the right to set the overpayment off from any other Program funds payable to the Receiving Party, if possible, or otherwise pursue any available remedies for the recovery of the overpayment.

#### **10. END DATE FOR PROGRAM AND ADMINISTRATIVE ACTIVITIES**

Unless this Agreement is terminated pursuant to Section 23 below, the Parties shall complete all Program administrative activities (as defined by PIPs' workbooks and reporting requirements) by no later than June 30, 2013, including submission of the Final Report(s), unless otherwise agreed to by the Parties or so ordered by the Commission, provided, however that all Direct Implementation and Marketing & Outreach activities (as defined in the PIPs) must be completed no later than December 31, 2012.

#### **11. FINAL INVOICES**

All Parties must submit final invoices no later than March 31st, 2013.

#### **12. INDEMNITY**

12.1. Indemnities by the Parties. Each Party shall indemnify, defend and hold harmless every other Party, and every other Party's respective successors, assigns, affiliates, subsidiaries, parent companies, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions in respect thereof (including reasonable attorneys' fees and reasonably allocated cost of in-house counsel) to the extent arising from the indemnifying Party's negligence or willful misconduct in its performance of its obligations hereunder or arising from its breach of this Agreement.

12.2. LIMITATION OF LIABILITY. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF OR UNDER-UTILIZATION OF LABOR OR FACILITIES, LOSS OF REVENUE OR ANTICIPATED PROFITS, COST OF REPLACEMENT POWER OR CLAIMS FROM CUSTOMERS, RESULTING FROM A PARTY'S PERFORMANCE OR NONPERFORMANCE OF THE OBLIGATIONS HEREUNDER, OR IN THE EVENT OF SUSPENSION OF THE AUTHORIZED WORK OR TERMINATION OF THIS AGREEMENT.

#### **13. OWNERSHIP OF DEVELOPMENTS**

The Parties acknowledge and agree that the Utilities, on behalf of their respective customers, shall own all data, reports, information, manuals, computer programs, works of authorship, designs or improvements of equipment, tools or processes (collectively "Developments") or other written, recorded, photographic or visual materials, or other deliverables produced in the

performance of this Agreement; provided, however, that Developments do not include equipment or infrastructure purchased for research, development, education or demonstration related to energy efficiency. Although LA County shall retain no ownership, interest or title in the Developments except as may otherwise be provided in the PIPs, they will have a permanent, royalty free, non-exclusive license to use such Developments.

#### **14. DISPUTE RESOLUTION**

- 14.1. Dispute Resolution. Except as may otherwise be set forth expressly herein, all disputes arising under this Agreement shall be resolved as set forth in this Section 14.
- 14.2. Negotiation and Mediation. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Parties' authorized representatives. The disputing Party shall give the other Parties written notice of any dispute. Within twenty (20) days after delivery of such notice, the authorized representatives shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days of the first meeting, any Party may initiate a mediation of the dispute. The mediation shall be facilitated by a mediator that is acceptable to all Parties and shall conclude within sixty (60) days of its commencement, unless the Parties agree to extend the mediation process beyond such deadline. Upon agreeing on a mediator, the Parties shall enter into a written agreement for the mediation services with each Party paying a pro rata share of the mediator's fee, if any. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association; provided, however, that no consequential damages shall be awarded in any such proceeding and each Party shall bear its own legal fees and expenses.
- 14.3. Confidentiality. All negotiations and any mediation conducted pursuant to Section 14.2 above shall be confidential and shall be treated as compromise and settlement negotiations, to which Section 1152 of the California Evidence Code shall apply, which Section is incorporated in this Agreement by reference.
- 14.4. Injunctive Relief. Notwithstanding the foregoing provisions, a Party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo.
- 14.5. Continuing Obligation. Each Party shall continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.
- 14.6. Failure of Mediation. If, after good faith efforts to mediate a dispute under the terms of this Agreement as provided in Section 14.2 above, the Parties cannot agree to a resolution of the dispute, any Party may pursue whatever legal remedies may be available to it at law or in equity, before a court of competent jurisdiction and with venue as provided in Section 33.

## 15. REPRESENTATIONS AND WARRANTIES

- 15.1. Each Party represents and warrants, individually and not jointly, that it has the authority to contract or otherwise commit to perform the obligations herein.
- 15.2. LA County represents and warrants that it has the authority to contract on behalf of or otherwise commit any LA County facility under its jurisdiction to perform the obligations herein, including without limitation the Approved Projects.
- 15.3. Each Party represents and warrants, individually and not jointly, that if such Party has Authorized Work obligations under this Agreement or for the Program, or if such Party hires a Contractor to perform Authorized Work under this Agreement or for the Program, that:
  - 15.3.1. The Authorized Work performed by such Party and its Contractors shall comply with the applicable requirements of all statutes, acts, ordinances, regulations, codes, and standards of federal, state, local and foreign governments, and all agencies thereof.
  - 15.3.2. The Authorized Work performed by such Party and its Contractors shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any proprietary rights of any person.
  - 15.3.3. Such Party shall conform to the applicable employment practices requirements of (Presidential) Executive Order 11246 of September 24, 1965, as amended, and applicable regulations promulgated thereunder.
  - 15.3.4. Such Party shall contractually require each Contractor it hires to perform the Authorized Work to indemnify each other Party to the same extent such Party has indemnified each other Party under the terms and conditions of this Agreement.
  - 15.3.5. Such Party shall retain, and shall cause its Contractors to retain, all records and documents pertaining to its Authorized Work obligations for a period of not less than five (5) years beyond the termination or expiration of this Agreement.
  - 15.3.6. Such Party shall contractually require all of its Contractors to provide the other Parties reasonable access to relevant records and staff of Contractors concerning the Authorized Work.
  - 15.3.7. Such Party will take all reasonable measures, and shall require its Contractors to take all reasonable measures, to ensure that the Program funds in its possession are used solely for Authorized Work, which measures shall include the highest degree of care that such Party uses to control its own funds, but in no event less than a reasonable degree of care.

15.3.8. Such Party will maintain, the following insurance coverage or self insurance coverage, at all times during the Term of this Agreement:

- (i) Workers' Compensation: statutory minimum.
- (ii) Employers' Liability: \$1 million minimum.
- (iii) Commercial General Liability: \$2 million minimum per occurrence, \$4 million in aggregate.
- (iv) Business Auto (if applicable): \$1 million minimum.
- (v) Professional Liability (if applicable): \$1 million minimum.

Such Party will also require its Contractors to maintain adequate insurance for performance of work under the Program.

## **16. PROOF OF INSURANCE**

- 16.1. Evidence of Insurance. The Parties agree that each Party, at its sole option, may utilize a program of self-insurance, commercial insurance, or any combination thereof, to satisfy its Indemnity obligations herein. Upon request at any time during the term of this Agreement, each such Party shall provide evidence that its Contractors maintain adequate coverage and insurance in accordance with this Agreement.

## **17. CUSTOMER CONFIDENTIALITY REQUIREMENTS**

Each Party agrees, individually and not jointly, that:

- 17.1. Non-Disclosure. Each Party, its employees, agents and Contractors shall not disclose any Confidential Customer Information (defined below) to any third party during the Term of this Agreement or after its completion, without such Party having obtained the prior written consent of the respective Utility, except as provided by Federal or State law, including the Public Records Act, lawful court order or subpoena and provided such Party gives the Utility advance written notice of such order or subpoena.
- 17.2. Confidential Customer Information. "Confidential Customer Information" includes, but is not limited to, a Utility customer's name, address, telephone number, account number and all billing and usage information, as well as any Utility customer's information that is marked confidential (except that a Utility seeking to disclose such information of its own customer shall not be deemed to be disclosing Confidential Customer Information for purposes of this Section 17). If a Party is uncertain whether any information should be considered Confidential Customer Information, such Party shall contact the Utility prior to disclosing any of the customer information.
- 17.3. Non-Disclosure Agreement. Prior to any approved disclosure of Confidential Customer Information, a Utility may require the disclosing Party to enter into a nondisclosure agreement.
- 17.4. Commission Proceedings. This provision does not prohibit a Party from disclosing non-confidential information concerning the Authorized Work to the Commission in

any Commission proceeding, or any Commission-sanctioned meeting or proceeding or other public forum.

- 17.5. Return of Confidential Information. Confidential Customer Information materials provided to a Party by another Party during the performance of this Agreement shall be returned upon written request to the original owner of the documents.
- 17.6. Remedies. The Parties acknowledge that Confidential Customer Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Section 17 and the obligations of the Parties are specifically enforceable. Accordingly, the Parties agree that in the event of a breach or threatened breach of this Section 17 by any Party, the Party whose Confidential Customer Information is implicated in such breach shall be entitled to seek and obtain an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, money damages or any other available legal or equitable remedy.

## **18. TIME IS OF THE ESSENCE**

The Parties hereby acknowledge that time is of the essence in performing their obligations under the Agreement. Failure to comply with deadlines stated in this Agreement may result in termination of this Agreement, payments being withheld or other Program modifications as directed by the Commission.

## **19. RESTRICTIONS ON MARKETING**

- 19.1. Program Materials. LA County shall obtain the written approval of each Utility when developing Program marketing materials prior to any distribution, publication, circulation or dissemination in anyway to the public. In addition, all advertising, marketing or otherwise printed or reproduced material used to implement, refer to or is in anyway related to the Program must contain the respective logo of each Utility and the following language: "This [program] is funded by California utility ratepayers and administered by Southern California Gas Company and Southern California Edison, under the auspices of the California Public Utilities Commission.
- 19.2. Use of Commission's Name. No Party may use the name of the Commission on marketing materials for the Program without prior written approval from the Commission staff. In order to obtain this written approval, the Lead Utility must send a copy of the planned materials to the Commission requesting approval to use the Commission name and/or logo. Notwithstanding the foregoing, the Parties may disclose their source of funding for the Program by using the language described in Section 19.1 on advertising, marketing or otherwise printed or reproduced material used to implement, refer to or is in any way related to the Program.
- 19.3. Use of Utilities' Names. LA County must receive prior review and written approval from a Utility for the use of such Utility's name or logo on any marketing or other 2010-2012 Program materials. LA County shall allow a minimum of five (5) Business Days for such Utility review and approval. If written approval is not

received by LA County within five (5) Business Days, then such request shall be deemed "not approved".

- 19.4. Use of LA County's Name. Utilities must receive prior written approval from LA County for use of LA County's name or logo on any marketing or other 2010-2012 Program materials. The Utilities shall allow five (5) Business Days for LA County review and approval. If written approval is not received by the Utilities within five (5) Business Days, then such submittal shall be deemed "not approved".

## **20. RIGHT TO AUDIT**

The Parties agree that the Parties, and/or the Commission, or their respective designated representatives, shall have the right to review and to copy any records or supporting documentation pertaining to their performance of this Agreement or the Authorized Work, during normal business hours, and to allow reasonable access in order to interview any employees of the Party who might reasonably have information related to such records. Further, the Parties agree to include a similar right of the Parties and/or the Commission to audit records and interview staff in any contract related to performance of the Authorized Work or this Agreement.

## **21. STOP WORK PROCEDURES**

The Utilities may suspend the Authorized Work being performed in its service territory for good cause, including, without limitation, concerns relating to program funding, implementation or management of the Program, safety concerns, fraud, or excessive Customer complaints, by orally notifying each other Party to suspend the Authorized Work being performed in its service territory. Each Party performing Authorized Work in such Utility's service territory shall stop work immediately, and may resume Authorized Work only upon receiving written notice from the Utility that it may resume the Authorized Work.

## **22. MODIFICATIONS**

Changes to this Agreement shall only be made by mutual agreement of all Parties through a written amendment to this Agreement.

## **23. TERM AND TERMINATION**

- 23.1. Term. This Agreement shall be effective as of \_\_\_\_\_, 2010. The Agreement shall continue in effect until August 31, 2013 ("Term") unless otherwise terminated in accordance with the provisions of Section 23.2 below.
- 23.2. Termination. Any Party may, upon approval of all non-breaching Parties, terminate this Agreement in the event of a material breach by one Party of any of the material terms or conditions of this Agreement, provided such breach is not remedied within sixty (60) days notice to a breaching Party thereof from a non-breaching Party or otherwise cured pursuant to the dispute resolution provisions set forth in Section 14 herein.
- 23.3. Effect of Termination. Termination by LA County or by all of the Utilities shall constitute a termination of this Agreement in its entirety (subject, however, to the survival provisions of Section 35).



- 23.3.1. The terminating Party (in the event such termination by such Party does not completely terminate this Agreement) or each Party (in the event this Agreement is terminated in its entirety) shall be entitled to PGC or Gas Surcharge Funds for all Program Expenditures incurred or accrued pursuant to contractual or other legal obligations for Authorized Work up to the effective date of termination of this Agreement, provided that any Monthly Reports or other reports, invoices, documents or information required under this Agreement or by the Commission are submitted in accordance with the terms and conditions of this Agreement. The provisions of this Section 23.3.1 shall be a Party's sole compensation resulting from any termination of this Agreement.
- 23.3.2. In the event of a partial termination of this Agreement by a Utility or LA County, LA County and the remaining Utilities, at their sole option without waiving any other rights as may be provided for in this Agreement, or in law or equity, may elect to continue the Program jointly as continuing parties to this Agreement, in which case, the Cost Share of each remaining Utility shall be revised to reflect the revised pro rata share. If the terminating party is the Lead Utility, then the remaining Utilities shall work together in good faith to appoint the continuing Lead Utility.
- 23.3.3. In the event of termination of this Agreement in its entirety, LA County shall stop any Authorized Work in progress and take action as directed by the Lead Utility to bring the Authorized Work to an orderly conclusion, and the Parties shall work cooperatively to facilitate the termination of operations and any applicable contracts for Authorized Work.

#### **24. WRITTEN NOTICES**

Any written notice, demand or request required or authorized in connection with this Agreement, shall be deemed properly given if delivered in person or sent by facsimile, nationally recognized overnight courier, or first class mail, postage prepaid, to the address specified below, or to another address specified in writing by a Party as follows:

<b>LA County:</b>  Nora Hernandez LA County, Energy Management Division, Internal Services Department (ISD) 1100 N. Eastern Ave, Los Angeles, CA 90063 323-881-3949 323-260-5237 nhernandez@lacounty.isd.gov	
<b>SCG</b> Paulo Morias Southern California Gas Company Partnerships Advisor (213) 244-3246 office 213-244-8252 fax Pmorais@semprautilities.com	<b>SCE:</b> Michael Schwonke Southern California Edison Program Manager 6042A North Irwindale Avenue Irwindale, CA 91702 626-815-5604 office 626-633-3408 fax michael.schwonke@sce.com

Notices shall be deemed received (a) if personally or hand-delivered, upon the date of delivery to the address of the person to receive such notice if delivered before 5:00 p.m., or otherwise on the Business Day following personal delivery; (b) if mailed, three (3) Business Days after the date the notice is postmarked; (c) if by facsimile, upon electronic confirmation of transmission, followed by telephone notification of transmission by the noticing Party; or (d) if by overnight courier: on the Business Day following delivery to the overnight courier within the time limits set by that courier for next-day delivery.

## 25. CONTRACTS

Each Party shall, at all times, be responsible for its Authorized Work obligations, and acts and omissions of Contractors and persons directly or indirectly employed by such Party for services in connection with the Authorized Work.

## 26. RELATIONSHIP OF THE PARTIES

The Parties shall act in an independent capacity and not as officers or employees or agents of each other. This Agreement is not intended to and does not form any "partnership" within the meaning of the California Uniform Partnership Act of 1994 or otherwise.

## 27. NON-DISCRIMINATION CLAUSE

No Party shall unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Each Party shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment, and shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The

applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

Each Party represents and warrants that it shall include the substance of the nondiscrimination and compliance provisions of this clause in all subcontracts for its Authorized Work obligations.

#### **28. COMMISSION AUTHORITY TO MODIFY**

This Agreement shall at all times be subject to the discretion of the Commission, including but not limited to, review and modifications, excusing a Party's performance hereunder for good cause, or termination as the Commission may direct from time to time in the reasonable exercise of its jurisdiction. In addition, in the event that any ruling, decision or other action by the Commission adversely impacts the Program, the Utilities shall have the right to terminate this Agreement in accordance with the provisions of Section 23 above by providing at least thirty (30) days' prior written notice to LA County setting forth the effective date of such termination.

#### **29. NON-WAIVER**

None of the provisions of this Agreement shall be considered waived by any Party unless such waiver is specifically stated in writing.

#### **30. ASSIGNMENT**

No Party shall assign this Agreement or any part or interest thereof, without the prior written consent of the other Parties, and any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, if a Utility is requested or required by the Commission to assign its rights and/or delegate its duties hereunder, in whole or in part, such assignment or delegation shall not require any Party's consent, and such Utility shall be released from all obligations hereunder arising after the effective date of such assignment, both as principal and as surety.

#### **31. FORCE MAJEURE**

Failure of a Party to perform its obligations under this Agreement by reason of any of the following shall not constitute an event of default or breach of this Agreement: strikes, picket lines, boycott efforts, earthquakes, fires, floods, war (whether or not declared), revolution, riots, insurrections, acts of God, acts of government (including, without limitation, any agency or department of the United States of America), acts of terrorism, acts of the public enemy, scarcity or rationing of gasoline or other fuel or vital products, inability to obtain materials or labor, or other causes which are reasonably beyond the control of such Party.

#### **32. SEVERABILITY**

In the event that any of the terms, covenants or conditions of this Agreement, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court, regulatory agency, or other regulatory body having jurisdiction, all other terms, covenants, or conditions of this Agreement and their application shall not be affected thereby, but shall remain in full force and effect, unless a court, regulatory agency, or other

regulatory body holds that the provisions are not separable from all other provisions of this Agreement.

### **33. GOVERNING LAW; VENUE**

This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California. Any action brought to enforce or interpret this Agreement shall be filed in Los Angeles County, California.

### **34. SECTION HEADINGS**

Section headings appearing in this Agreement are for convenience only and shall not be construed as interpretations of text.

### **35. SURVIVAL**

Notwithstanding completion or of this Agreement, the Parties shall continue to be bound by the provisions of this Agreement which by their nature survive such completion or termination. Such provisions shall include, but not be limited to, Sections 8, 9, 12, 14, 17, 20, 33 and 35 of this Agreement.

### **36. ATTORNEYS' FEES**

Except as otherwise provided herein, in the event of any legal action or other proceeding between the Parties arising out of this Agreement or the transactions contemplated herein, each Party in such legal action or proceeding shall bear its own costs and expenses incurred therein, including reasonable attorneys' fees.

### **37. COOPERATION**

Each Party agrees to cooperate with the other Parties in whatever manner is reasonably required to facilitate the successful completion of this Agreement.

### **38. ENTIRE AGREEMENT**

This Agreement (including the Exhibits hereto) contains the entire agreement and understanding between the Parties and merges and supersedes all prior agreements, representations and discussions pertaining to the subject matter of this Agreement.

### **39. COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**COUNTY OF LOS ANGELES:  
Internal Services Department**

**By: \_\_\_\_\_**  
**Name Printed: Tom Tindall**  
**Director, Internal Services Department**

**Date: \_\_\_\_\_, 2010**

**SCG:**

**SOUTHERN CALIFORNIA GAS  
COMPANY**

**By: \_\_\_\_\_**  
**Name Printed: Anne Smith**  
**Its: Senior Vice President,**  
**Customer Services**

**Date: \_\_\_\_\_, 2010**

**SCE:**

**SOUTHERN CALIFORNIA EDISON  
COMPANY**

**By: \_\_\_\_\_**  
**Name Printed: Lynda Ziegler**  
**Its: Senior Vice President,**  
**Customer Services**

**Date: \_\_\_\_\_, 2009**

## ATTACHMENTS

Exhibit A: Utility Program Implementation Plans  
A-1: Southern California Gas Company  
A-2: Southern California Edison Company

Exhibit B: EM&V Plan approved by the Commission  
[To be attached hereto after Commission approval]

Exhibit C: LA County Project Package  
Agency Project Package – RETROFIT, MBCX AND RCX  
C-1: Form of Project Application  
C-2: Form of Project Agreement  
C-3: Project Payment Form  
C-4: Form of Project Invoice  
C-5: Form of Project Completion

Agency Project Package – NEW CONSTRUCTION  
C-6: Form of Letter of Interest  
C-7: Form of Partnership New Construction Agreement for Customer Incentives  
C-8: Form of Partnership New Construction Agreement for Design Team  
Incentives  
C-9: New Construction Project Payment Form for Customer Incentives  
C-10: New Construction Project Payment Form for Design Team Incentives  
C-11: Form of Project Invoice  
C-12: Form of Project Completion

Exhibit D: Incentive Rates

Exhibit E: Reporting Requirements

**EXHIBIT  
A1 & A2**

## Local Government Program Implementation Plan Template<sup>1</sup>

1. Program Name and Program ID number

**SCE/SCG/County of Los Angeles Partnership-Energy Efficiency**

### 2. Projected Program Budget Table

Program Budget by Core Programs						
Program #	Main Program Name	Government Facilities*	Strategic Plan	Core Programs	Program Budget**	Total (including incentives)
	LA County IOU Partnership Sub-Program #1	\$855,000.00	\$ 212,682	\$ 431,309	\$ 644,491	\$ 1,499,491
	Kern County Energy Watch Sub-Program #2	\$125,000.00	\$ 96,811	\$ 196,556	\$ 293,368	\$ 418,368
	Riverside County Partnership Sub-Program #3	\$150,000.00	\$ 139,211	\$ 262,540	\$ 421,850	\$ 571,850
	San Bernardino County Sub-Program #4	\$150,000.00	\$ 136,772	\$ 277,689	\$ 414,462	\$ 664,461
	Santa Barbara County Partnership Sub-Program #5	\$70,000.00	\$ 107,163	\$ 217,573	\$ 324,736	\$ 394,736
	SBCCOG Sub-Program #6	\$37,500.00	\$ 148,041	\$ 300,569	\$ 448,610	\$ 486,110
	San Luis Obispo Sub-Program #7	\$50,000.00	\$ 99,727	\$ 202,476	\$ 302,203	\$ 352,203
	Tulare County-Visalia Regional Partnership Sub-Program #8	\$65,000.00	\$ 91,748	\$ 186,288	\$ 278,036	\$ 363,036
	Orange Cities Sub-Program #9	\$120,000.00	\$ 128,453	\$ 260,798	\$ 389,250	\$ 509,250
	ILG Sub-Program #10	\$0.00	\$ 142,687	\$ 289,698	\$ 432,385	\$ 432,385
	Community Energy Partnership Sub-Program #11	\$125,000.00	\$ 120,467	\$ 244,584	\$ 365,051	\$ 490,051
	Desert Cities Partnership Sub-Program #12	\$10,000.00	\$ 24,982	\$ 50,722	\$ 75,704	\$ 85,704
	VCREA Sub-Program #13	\$100,000.00	\$ 164,278	\$ 333,534	\$ 497,812	\$ 697,812
	Palm Desert Energy Partnership Demonstration Program	\$2,040,296	\$ 450,000	\$1,931,454	\$2,381,454	\$ 4,421,750
		\$3,917,796.00	\$2,063,022	\$5,206,389	\$7,269,411	\$11,187,207

\* These budgets are incentives forecasted for Government Facilities but are included in the Commercial programs incentives budgets.

These budgets are noted in Table 7.1 as "Integration Budget Allocated to Other Programs (if Applicable)".

These programs are considered Non-resource programs.

\*\*The "Strategic Plan" and "Core Program" budgets total to the LGP budgets.

### 3. Projected Program Gross Impacts Table –

Program Gross Therm Savings 2010.12      570,000 Therms

### 4. Program Element Description and Implementation Plan<sup>2</sup>

The 2009 - 11 SCE/SCG/County of Los Angeles Partnership is a continuation of the existing, successful 2004 - 05, and 2006 -08 programs with SCE and SCG. The 2009 - 11 Partnership will build on the lessons learned and will continue to focus on identifying energy efficiency activities in county facilities in support of the recently adopted county of Los Angeles Energy and Environmental Plan.

The Partnership program will support the energy efficiency components of the Energy and Environmental Plan initiatives by identifying projects and strategies to reach the 38 different county departments that the Internal Services Department (ISD) serves. In addition, there are

<sup>1</sup> This template is for use with all local government (city, county, regional government including LA, San Bernardino and Riverside counties) Partnerships. Statewide Partnerships (UC/CSU, CCC, CDCR) use the standard template.

<sup>2</sup> Complete for each direct savings and non-resource program element. General text stating big picture principals is discouraged as is text that repeats from PIP to PIP. If the same approach is used in multiple Partnerships, refer to the original text in a master PIP. Include in each subsequent PIP only information on how that element might vary due to climate zone, local dynamics, etc.



HOA.669612.129

**AGREEMENT TO JOINTLY DELIVER THE 2010-2012 LA COUNTY/IOU ENERGY EFFICIENCY  
PARTNERSHIP PROGRAM**

departments and public agencies affiliated with the county (Public Housing, Sanitation Districts, School Districts County Metro Transit Authority, and Waterworks and Wastewater utilities) that have previously not participated in past Partnership programs. By tailoring outreach and implementing innovative ways to participate (emerging technologies, integration with state-wide pilots, e.g. water districts, and flexible funding) the Partnership will increase energy efficiency participation in these LA County departments.

a) **List of program elements:**

- 1 Retrofit (HVAC, lighting, Emerging Technology, others)
- 2 Retro-Commissioning and Monitoring-Based Commissioning
- 3 Energy Efficiency Education and Best Practices Development and Training
- 4 New Construction and Design Assistance (SBD)
- 5 Emerging Technologies
- 6 Integration with Demand Response and other DSM Services
- 7 Funding Sources: e.g. On-Bill Financing, Grants etc
- 8 Coordination with other IOU Program Offerings (core programs, solar, water renewable-portfolio, and others)
- 9 Policy Assistance: Energy Policy

**Element Details:**

**1. Retrofit Program**

The Retrofit projects in this program will be implemented by the County of Los Angeles through contracts with contractors and engineering consultants. The Partnership has identified potential projects from facility assessments and has a data set of projects that served as a basis for implementation. This data set provides valuable planning information to determine incentive levels, incentive payment structure, budget forecasts, and to establish the implementation strategies and schedules.

**2. Retro-Commissioning (RCx) / Monitoring-Based Commissioning (MBCx)**

This element of the program is a continuation of a unique approach to obtaining savings that combines the expertise of county staff, utility and subcontractor expertise, and the use of the County's Enterprise Energy Management Information System (EEMIS). Through these resources, a systematic, comprehensive RCx program will be implemented in existing facilities. It will provide a cost effective approach to achieving optimized operating facilities, save both electric and gas energy, reduce operating cost and improve occupant comfort.

**3. Energy Efficiency Education and Best Practices Development and Training**

The Partnership will facilitate education and training for facility and maintenance personnel. The education and training element will support the outreach and education initiatives as articulated in the County's Energy and Environmental Policy. There will be a venue for those individuals responsible for managing energy to share information and experiences related to facility operations, to gain knowledge of industry best practices in

energy efficiency management, and successful project implementation, among other issues. The strategy for the education and training element is to leverage the resources of IOU technology centers and develop curriculum that will address the specific needs of the partner. Lastly, the Partnership will seek opportunities to improve project coordination and communication to strengthen the relationships among the Partnership team, LA County Departments and ISD.

#### 4. New Construction and New Construction Design Assistance

As with retrofits, the county has a stated desire to implement more efficient and sustainable measures in new construction projects. In practice, however, budgetary constraints often prevent this. The Partnership's incentives, together with the visibility and upper-level management commitment the Partnership brings, increases the ability of the county's energy manager to see these desires actually met. The Partnership will work closely with design teams of future projects, both large and small, to implement energy efficiency, load management, and renewable energy to the maximum extent feasible.

#### 5. Emerging Technologies

The Partnership may also pursue opportunities to facilitate the installation of emerging technologies. Where applicable the Partnership will provide incentives and technical aid for installing emerging technologies in County facilities to influence the technology being adopted into market.

#### 6. Integration with Demand Response and other DSM services

Demand response programs provide tariff-based benefits to customers implementing demand response activities. For demand response initiatives involving the purchase and installation of equipment by SCE business customers, a plan to provide a financial incentive for the energy savings resulting from the equipment through the Partnership program will be developed.

The Partnership will look for opportunities to integrate demand response and other DSM services into the program implementation plan. Resources will be leveraged to improve implementation efficiency and reduce transactional impacts on Partnership staff. IOU energy efficiency and demand response (EE/DR) program staff will collaborate with partners to conduct comprehensive audits and identify energy efficiency measures as well as demand response opportunities. The approach will reduce technical resources by combining EE/DR audits to avoid duplication, collaborate on incentive offerings and will minimize customer interruptions.

The partners seek to identify facilities or aggregation of facilities under a service account to establish opportunities for DR participation that will meet the program eligibility of a 30 kW minimum demand response opportunity per service account.

The Partnership will also assist, where applicable, facility management staff that are interested in solar technology and will provide recommendations in facility operations through energy audits to improve its facilities with less costly EE/DR measures prior to implementing more costly solar technologies.

#### 7. Funding Source:

The utilities will work with the County of Los Angeles ISD staff to allocate appropriate Partnership incentives for qualified projects and collaborate with all applicable DSM programs to ensure agencies can include incentive information in the life cycle cost analysis to support the financing request, where applicable. The County is currently pursuing On-Bill Financing efforts, with their County Council, and if able to participate in this option, will work collaboratively with the Partnership to identify applicable projects. In addition, any grants or other State funding the County may be eligible for, for energy efficiency projects will be pursued, and the Partnership will assist with these alternate funding sources as much as possible.

#### 8. Coordination with other IOU Programs:

The Partnership will be utilized as a “portal” to other IOU energy programs such as the California Solar Initiative, Self-Generation Incentive Program, and Demand Response, as well as related agricultural, water efficiency, green building programs, and others as appropriate. These other IOU departments/programs will be engaged in and active in the process of identifying opportunities and working with the Partnership team to ensure an integrated and smooth process.

#### 9. Policy Assistance: Energy Policy:

The Partnership will support energy reduction and environmental initiatives described in the Los Angeles County Energy and Environmental Plan, adopted by the County in 2008. Support may include technical assistance, training, applicable incentives and emerging technology support. The Partnership intends to utilize the IOU core programs, as applicable, as well as coming up with unique and innovative ways to support the County’s Energy and Environmental Plan through outreach, pro-active communication and regular Partnership activities.

#### **b) Non-Incentive Services:**

Non-incentive services for the 2009-2011 LA County/SCG/SCE Partnership will include integrated audits not only for ISD operated buildings, but also for the 38 different county departments that Internal Services Department (ISD) serves, such as: Department of Public Works, Sheriff, Health Services, Public Housing, Sanitation Districts, School Districts under the Office of Education, the County Metro Transit Authority, and the county’s Waterworks and Wastewater utilities. These audits will be identified through the Partnership and will include RCx, retro-fit, Demand Repsonse opportunities, emerging technologies, solar or self generation programs as applicable.

In addition to the audits, other non-incentive services will include any training or education services provided by the IOUs to County staff, utilizing SCE’s CTAC facility, and on-site training as appropriate.

c) **Target audience:**

The Partnership will primarily target LA County owned and or operated buildings. The target audience will be wide sweeping internally to the County because of the joint efforts of the Partnership to expand to other County departments under the leadership of Internal Services Department. Additionally the outreach and education will focus on building engineers, managers etc, to promote and maintain energy efficiency installations at all County facilities. County leadership (Department heads, County Council, Board of Supervisors, etc) will also be targeted through outreach efforts, to assist with County adoption of energy efficiency measures and promotion of the Partnership.

d) **Implementation:**

The implementation plan for this program cycle will include the continuation of activities implemented in the 2006 - 08 SCE/SCG/County of LA Partnership program. The Partnership will apply the lessons learned from the current Partnership as well as from other local and statewide Partnership programs.

SCE will retain the overall administration of the Partnership program. The Partnership will work together to establish funding guidelines for various projects, sharing technical expertise, and implementing projects. The Partnership also will coordinate the use of ISD's own resources and total program resources to identify and develop projects, manage individual projects, and track costs and savings.

A new approach will be employed to contract for construction and engineering work. In the current program cycle, the County was able to establish a process to procure contractors to implement projects. This responsibility will shift from the utilities to the county to facilitate the implementation process. However, project decisions will continue to be made by the management team on a Partnership level though discussions at our regularly scheduled Partnership meetings.

e) **Program Management Structure**

The program will continue to be administered by a management team, consisting of representatives from the County of Los Angeles, SCE, and SCG, will track project progress and keep the lines of communication and information flowing. The management team will set overall program policy and ensure that the program stays on plan throughout its life cycle, and will meet roughly every two weeks. Subcommittees or "teams" made up of members of the management team and other representatives will perform the detailed work associated with the program elements, and make recommendations to the management team for action. This will potentially include retrofit, retro-commissioning, new construction, and training & education as well as coordinated activities with other demand-side management programs such as Demand Response (DR), California Solar Initiative (CSI), and emerging technologies (ET). The team will be providing a more coordinated and integrated approach and will increase the penetration of energy efficiency activities or savings and avoid lost opportunities.

## 5. Program Element Rationale and Expected Outcome<sup>3</sup>

### a) Quantitative Baseline and Market Transformation Information:

LA County/SCG/SCE Partnership has demonstrated a profound impact on RCx implementation and sustainability of energy savings generated from performing RCx in County facilities. The importance of monitoring and maintaining these commissioned standards in County facilities cannot be overlooked, and the County has demonstrated an aptitude for this emerging technology and practice. In late 2008 the County will transition many of their commissioned buildings, specifically courthouses, to State control. With a solid RCx plan in place at these facilities, the courthouses, under State control, should maintain the energy saving measures implemented, or look to the County's Internal Services Department to coordinate these efforts, which could then be launched state-wide and adopted as policy.

Examples of market transformation strategies and baseline metric are shown below.

**Table 3**

	Baseline Metric		
	Metric A	Metric B	Metric C
Institution and Government Facilities	Line item for energy (EE, DR, renewables, etc.) in Institution and Government budget. Baseline to be established as part of 2009 market transformation step	Dedicated Energy Management Function within local governments – Baseline to be established as part of 2009 market transformation step	N/A
Strategic Plan Support – Compliance	TBD – Pending Metrics defined in Codes & Standards PIP	TBD	
Strategic Plan Support - Reach Codes	# of Institutions and Governments Adopting Reach Codes – Baseline to be established as part of 2009 market transformation step	TBD	
Strategic Plan Support – Guiding Documents	# of Institutions and Governments with Climate Action guidance documents – Baseline to be established as part of 2009 market		

<sup>3</sup> To be provided for each program element including non-resource elements with no savings goals

	transformation step		
Strategic Plan Support – Financing	# of Institutions and Governments with Financing Districts and/or Financing mechanism. Baseline to be established as part of 2009 market transformation step		
Strategic Plan Support – Peer-to-Peer Support	TBD		

b) Market Transformation Information

We are not confident enough at this time to provide any numerical progress estimates yet, but we will work with the CPUC to develop estimates of expected progress at the same time that we agree upon the indicators.

Examples of market transformation targets are shown below.

**Table 4**

Internal Market Transformation Planning Estimates			
Market Sector and Segment	2009	2010	2011
Government Facilities			
Line item for energy (EE, DR, renewables, etc.) Institutions and Governments budget	Determine baseline for Institutions and governments with dedicated funds for energy (EE, DR, renewables, etc.)	2009 + TBD	2010 + TBD
Dedicated Energy Management Function within institutions and governments	Determine baseline for Institutions and governments with dedicated energy managers	2009 + TBD	2010 + TBD
Strategic Plan Support			
# of institutions and governments adopting reach codes	Baseline	2009 + TBD	2010 + TBD
# of institutions and governments with Climate Action guidance documents	Baseline	2009 + TBD	2010 + TBD
# of institutions and governments with	Baseline	2009 + TBD	2010 + TBD

Financing Districts or financing mechanism			
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- c) Program Design to Overcome Barriers: Funding from the County for projects has been, and may continue to be a barrier to participation. The Partnership plans on overcoming these barriers by continuing the foundation made in the 2006-08 program which includes regular status/Partnership meetings, meeting with contractors and vendors, and project managers working on construction and RCx projects in the County. The Partnership has been able to participate in County projects early in the planning stage, to ensure the most efficiency energy designs and equipment are implemented, and the construction costs are able to be offset by Partnership incentives. The Partnership may also provide flexibility in incentive structure and may reduce the actual measure incentive to cover additional engineering services and costs provided to the County through the Partnership (e.g. pay additional engineering costs to ensure project is implemented, but this may affect the total incentives available for the project due to cost-effectiveness considerations). Up-front, or advanced incentive payment structure may also be employed in this cycle, providing the County with a percentage of the actual project incentive dollars in advance of the actual installation of equipment, so that the County can use the incentive dollars to procure equipment, or hire contractors to do the installation of approved measures. County budget was calculated for the 2009-2011 cycle to align with the limited number of buildings identified for Retro-Commissioning within the County (many facilities were completed RCx in the 2006-2008 program), and based upon retro-fit forecasts provided by the County.

**Quantitative Program Objectives:**

**Table 5**

<b>LA COUTNY PARTNERSHIP: County Facilities</b>			
<b>Program Name</b>	<b>Program Target by 2009</b>	<b>Program Target by 2010</b>	<b>Program Target by 2011</b>
<b>EE/DR Audits</b>	Ensure 100% of all audits are coordinated EE/DR efforts if applicable. Promote EE opportunities first, in order to correctly assess and implement DR reduction potential.	Ensure 100% of all audits are coordinated EE/DR efforts if applicable. Promote EE opportunities first, in order to correctly assess and implement DR reduction potential.	Ensure 100% of all audits are coordinated EE/DR efforts if applicable. Promote EE opportunities first, in order to correctly assess and implement DR reduction potential.
<b>Lighting and HVAC Retrofits</b>	Utilize Partnership activities and completed audits to identify and implement retrofit measures. Lighting	Utilize Partnership activities and completed audits to identify and implement retrofit measures. Lighting retrofits may	Utilize Partnership activities and completed audits to identify and implement retrofit measures. Lighting retrofits may



	retrofits may account for 20% of all retrofit opportunities, and HVAC may account for 60% and the remaining 20% would be "other" (e.g. vending misers, software controls, etc). Retrofits will account for energy savings of 1,000,000 kWh and 80 kW.	account for 20% of all retrofit opportunities, and HVAC may account for 60% and the remaining 20% would be "other" (e.g. vending misers, software controls, etc). Retrofits will account for energy savings of 1,000,000 kWh and 80 kW energy savings.	account for 20% of all retrofit opportunities, and HVAC may account for 60% and the remaining 20% would be "other" (e.g. vending misers, software controls, etc). Retrofits will account for energy savings of 1,000,000 kWh and 80 kW energy savings.
<b>RCx and MBCx</b>	Identify County buildings for possible RCx/MBCx opportunities, secure RCx/MBCx vendors and being Investigation process for implementation. RCx has typically accounted for 90% of all projects completed by the Partnership in the 2006-08 cycle. RCx/MBCx will account for energy savings of 1,300,000 kWh and 280 kW	Identify County buildings for possible RCx/MBCx opportunities, secure RCx/MBCx vendors and being Investigation process for implementation. RCx has typically accounted for 90% of all projects completed by the Partnership in the 2006-08 cycle. RCx/MBCx will account for energy savings of 1,300,000 kWh and 280 kW	Identify County buildings for possible RCx/MBCx opportunities, secure RCx/MBCx vendors and being Investigation process for implementation. RCx accounted for 90% of all projects completed by the Partnership in the 2006-08 cycle. RCx/MBCx will account for energy savings of 1,300,000 kWh and 280 kW
<b>New Construction</b>	Communicate Integration Strategy between internal departments and offerings and incentive structure. LA County has not typically had a lot of new construction projects, however the Partnership has earmarked budget and expected	Communicate Integration Strategy between internal departments and offerings and incentive structure. LA County has not typically had a lot of new construction projects, however the Partnership has earmarked budget and expected kWh/kW savings for remodeling	Communicate Integration Strategy between internal departments and offerings and incentive structure. LA County has not typically had a lot of new construction projects, however the Partnership has earmarked budget and expected kWh/kW savings for remodeling

	kWh/kW savings for remodeling projects and some new buildings anticipated within the cycle (libraries, data center, etc). Energy savings from New Construction will account for 96,032 kWh and 20 kW	projects and some new buildings anticipated within the cycle (libraries, data center, etc). Energy savings from New Construction will account for 96,032 kWh and 20 kW	projects and some new buildings anticipated within the cycle (libraries, data center, etc). Energy savings from New Construction will account for 96,032 kWh and 20 kW
<b>kWh/kW Total Savings</b>	<b>2,396,032 kWh 380 kW</b>	<b>2,396,032 kWh 380 kW</b>	<b>2,396,032 kWh 380 kW</b>
<b>Core Program Integration</b>			
<b>Education and Outreach</b>	Utilize CTAC and other existing resources for training and education of County staff, specifically on RCx sustainability, EE and DR integration.	Utilize CTAC and other existing resources for training and education of County staff, specifically on RCx sustainability, EE and DR integration.	Utilize CTAC and other existing resources for training and education of County staff, specifically on RCx sustainability, EE and DR integration.
<b>Financial Solutions Program: On-Bill Financing Element</b>	Continue work with IOU and County council to broker an acceptable Agreement to take advantage of On-Bill Financing, if at all possible. If County is not able to participate, this will not be an element of the Partnership. If agreement is reached, then Partnership will identify qualified projects and implement energy efficiency measures offset by OBF.	Continue work with IOU and County council to broker an acceptable Agreement to take advantage of On-Bill Financing, if at all possible. If County is not able to participate, this will not be an element of the Partnership. If agreement is reached, then Partnership will identify qualified projects and implement energy efficiency measures offset by OBF.	Continue work with IOU and County council to broker an acceptable Agreement to take advantage of On-Bill Financing, if at all possible. If County is not able to participate, this will not be an element of the Partnership. If agreement is reached, then Partnership will identify qualified projects and implement energy efficiency measures offset by OBF.
	Implement communication plan for ensuring partners	Work through the Partnership team to continue education, and	Complete documentation of participation potential

<b>California Solar Initiative: CSI</b>	have been educated on solar potential of County buildings, and work with County on their proposed Solar Website which would allow constituents to estimate kWh reductions and costs/payback. (Outreach and Education Effort).	look for opportunities for solar installation within the County. Possibly target new construction projects for solar technology. Continue any progress on County initiated Solar Website.	and what is necessary for partners to participate, if any potential projects were identified.
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## 6. Other Program Element Attributes

- a) **Best Practices:** The Partnership will continue lessons learned from previous Partnership cycles, most significantly in the Retro-Commissioning (RCx) arena. The LA County/SCG/SCE Partnership has been a strong leader in this area and has successfully implemented RCx projects in more than 30 buildings over the previous 2 Partnership cycles (2004-2008) saving the County millions of dollars in avoided energy costs, maintenance, and operations, as well as saving more than 17 Million kWh. Lessons learned about timeline, implementation, monitoring and reporting will be applied to the current cycle to capture efficiencies and streamline processes. Additionally, the communication process and teamwork approach best-practices will continue to be implemented and improved upon in the next cycle, so that all stakeholders share responsibilities, risk and reward.
- b) **Innovation:** For the 2009-2011 program, the partnership team will continue working collaboratively with County staff to deliver energy efficiency elements and demand-side management activities in support of the County's aggressive Policy goal of reducing energy consumption in County facilities by 20% by the year 2015. The Partnership will seek to identify and implement energy efficiency projects in "hard to reach" County-affiliated public agencies. By working with the County's water and wastewater utilities not only will energy saving projects be identified, the Partnership will support a potential CEC Pier energy grant to identify and implement water savings measures that produce energy savings in water pumping and treatment.

### Environmental Stewardship

Under the County's Policy, the County has joined the CA Climate Action Registry and Cool Counties signifying the County's intent to establish its "environmental footprint" by quantifying Green House Gas (GHG) production responsibility, commit to reducing it's GHG production in support of state and federal programs, and developing a climate action plan. The County's Policy identifies energy efficiency, renewable resources, and water efficiency as key areas in reducing GHG production.

Through the reduction of electric and gas consumption this program will greatly reduce the production of (GHG). SCE will calculate the reduction of CO2 reduction in tons by calculating the annual life-cycle energy savings, in accordance with California Assembly Bill 32 (AB 32) which caps global warming emissions to 2000 levels by 2010 (11% below business as usual), to 1990 levels by 2020 (25% below business as usual), and 80% below 1990 levels by 2050.

The County Policy also establishes a number of waste reduction, landfill diversion, recycling, alternative transportation/green fleet, green purchasing and other environmental programs for both County employees and constituents that are part of the Environmental Stewardship category under the Policy.

#### Public Education and Outreach

The County holds regular County Energy & Environmental Fairs for employees and constituents as part of its Public Education and Outreach category under the Policy. The utilities have participated in the past two, quarterly Fairs.

The County is a founding member and current chair of the Local Government Sustainable Energy Coalition. The Local Government Sustainable Energy Coalition is an association of California public entities formed to share information and resources to strengthen and leverage their communities' commitments to a sustainable energy future – a future that provides for essential energy resources, restrains energy demand, increases energy efficiency and renewable energy production, and improves energy security and reliability, while enhancing environmental values and community well-being. The County will work through its utility partnership to grow the Coalition in an effort to increase energy and sustainability knowledge throughout the southern California region's local governments and public agencies.

#### Sustainable Building Design

Under its Policy, the County requires U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) certification at the Silver level for new County buildings greater than 50,000 square feet. LEED certification is a designation offered by the USGBC to recognize projects that optimize energy and water use efficiency, enhance the sustainability of the project site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

The partnership team will identify and support the appropriate energy efficiency elements of the LEED certification process. SCE's Savings By Design programs will be leveraged for technical resources and incentives to support the sustainable

design initiative. The team will identify opportunities to support the energy efficiency element of the County's effort on the Green Building component of the Sustainable Design initiative. These energy savings will be accomplished by evaluating the energy efficiency potential of existing buildings and then implementing retrofits and/or retro commissioning in some of those buildings. Additional savings will be achieved by working in the early stages of new construction projects to assure the most energy-efficient design acceptable to the County (and to increase the desire to make highly energy-efficient designs "acceptable").

The County is also currently investigating the feasibility of adoption of LEED certification for existing buildings. Similarly, utility incentive programs and the partnership will be leveraged to enhance the energy efficiency aspects of any LEED EB program adopted by the County.

Additionally, the County Policy includes a program to investigate the requirement of LEED certification (or other certification standard) for privately developed buildings in County unincorporated area. The goal is to develop and implement a County ordinance requiring certification for new residential and commercial construction. The Partnership may help support this program through public education and outreach on green building benefits, advertising of existing incentives, technical resources, and pilot program incentives. A draft ordinance is before the County's Regional Planning Commission and additional public hearings and presentations to the Board of Supervisors are still being scheduled. It will be the Partnership's goal to help this ordinance pass and provide early (pilot program) incentives to assist in its implementation.

- c) **Interagency Coordination**: Coordination with the ARB, CEC and PIER or Codes and Standards; and others as opportunities arise.
- d) **Integrated/coordinated Demand Side Management**: The Partnership will continue integration to other IOU energy programs such as the demand response, solar initiative, and self-generation programs, as well as related agricultural, water efficiency, and green building programs. Demand response programs provide tariff-based benefits to customers implementing demand response activities. For demand response initiatives involving the purchase and installation of equipment by SCE business customers, a plan will be developed to provide a financial incentive for energy savings resulting from the equipment supplied through the Partnership program. The Partnership will look for opportunities to integrate demand response and other DSM services into the program implementation plan. Resources will be leveraged to improve implementation efficiency. IOU energy efficiency and demand response program staff will collaborate with partners to conduct comprehensive audits and identify energy efficiency measures and demand response opportunities. The approach will reduce technical resources by combining EE/DR audits to avoid duplication and collaborate on incentive offerings which will all minimize customer interruptions.
- e) **Integration across resource types** This is an integral part of the program element and fully covered under #4.

- f) **Pilots:** Currently, there have not been any pilot projects incorporated into the Partnership, however, any future opportunities for innovative or market-transforming pilots will be considered, and agreed upon by all parties in the Partnership. Pilot initiatives could include resource and/or non-resource activities as prescribed by the CPUC.
- g) **EM&V:** Referenced in Master PIP 6h.

## 7. Partnership Program Advancement of Strategic Plan Goals and Objectives

**Table 6<sup>4</sup> California Long-Term Energy Efficiency Strategic Plan Implementation:**

<b>1-1:</b> Develop, adopt and implement model building energy codes (and/or other green codes) more stringent than Title 24's requirements, on both a mandatory and voluntary basis; adopt one or two additional tiers of increasing stringency.	Partnership will work with LA County policy makers to adopt and implement building or new construction goals that exceed Title 24 requirements by a percentage determined by the County (e.g. all new construction in the County will be more than X% above T24)
<b>1-2:</b> Establish expedited permitting and entitlement approval processes, fee structures and other incentives for green buildings and other above-code developments.	Not expected to be influenced by Partnership activities; however the Partnership is supportive of the County's role in any permitting or expedited approval policy for green building.
<b>1-3:</b> Develop, adopt and implement model point-of-sale and other point-of transactions relying on building ratings.	Not expected to be influenced by Partnership activities, however the Partnership is supportive of the County's role in any permitting or expedited approval policy for green building.
<b>1-4:</b> Create assessment districts or other mechanisms so property owners can fund EE through city bonds and pay off on property taxes; develop other EE financing tools.	Not expected to be influenced in the LA County/SCG/SCE Partnership.
<b>1-5:</b> Develop broad education program and peer-to-peer support to local gov'ts to adopt and implement model reach codes	Develop information campaign on mechanics and benefits of model programs targeting local gov't decision-makers and community leaders and Board of Supervisors.
<b>1-6:</b> Link emission reductions from "reach" codes and programs to ARB's AB 32 program	CARB adopts regulation providing local gov't emission reduction credit for "reach" standards • State Attorney General and Office of Planning & Research provide guidance on using CEQA authority to

<sup>4</sup> This table includes a subset of CEESP local government chapter strategies that pertain especially to local government actors. Statewide coordination-related strategies should be discussed in the Strategic Plan portion of the Testimony. This table should be addressed in the master PIP by IOU territory but need not be repeated in local partner PIPs.

	target energy and GHG savings in LG development authority
<b>2-2:</b> Dramatically improve compliance with and enforcement of Title 24 building code, and of HVAC permitting and inspection requirements (including focus on peak load reductions in inland areas).	Develop strategies Test Pilot program for compliance in 2010
<b>2-3:</b> Local inspectors and contractors hired by local governments shall meet the requirements of the energy component of their professional licensing (as such energy components are adopted).	Update and or incorporate energy components in licensing requirements.
<b>3-1:</b> Adopt specific goals for efficiency of local government buildings, including:	Implement local policies for LEED new construction and existing buildings.
<b>3-2:</b> Require commissioning for new buildings, and re-commissioning and retro-commissioning of existing buildings.	Benchmark existing buildings against ratings such as Energy Star and its Portfolio Manager  Continue commissioning programs on selected high-use buildings
<b>3-4:</b> Explore creation of line item in LG budgets or other options that allow EE cost savings to be returned to the department and/or projects that provided the savings to fund additional efficiency.	Explore and document model policies and mechanisms by June 2010  Implementation plan in place by Dec 2010 for mechanisms to fund.
<b>3-5:</b> Develop innovation Incubator that competitively selects initiatives for inclusion in LG pilot projects.	Coordinate this approach with Research & Technology activities; • Develop and begin first projects by 12/2010.
<b>4-1:</b> LGs commit to clean energy/climate change leadership.	Assist initial set of local governments in commitments; develop and communicate appropriate messages.
<b>4-2:</b> Use local governments' general plan energy and other elements to promote energy efficiency, sustainability and climate change.	Develop model General Plan (Energy Plan already adopted by the County of LA) amendments. • Leaders among local governments adopt policies in General Plan elements. • Publicize to other local governments.
<b>4-4:</b> Develop local projects that integrate EE/DSM/water/wastewater end use	Identify opportunities and challenges for more energy/environmentally integrated development and

	infrastructure • Develop and implement pilot projects, such as the California Sustainable Communities Initiative.
4-5: Develop EE-related “carrots” and “sticks” using local zoning and development authority	Not expected to be influenced in the LA County/SCG/SCE Partnership.



1. **Program Name:** Institutional and Government Core Energy Efficiency Partnership Program  
**Program ID:** SCE-L-005  
**Program Type:** Core

## 2. Projected Program Budget Table

Table 1<sup>1</sup>

SCE-L-005	Main Program Name / Sub-Program	Total Administrative Cost (Actual)	Total Marketing & Outreach (Actual)	Total Direct Implementation (Actual)	Integration Budget Allocated to other	Total Budget By Program (Actual)
<b>CROSSCUTTING</b>						
	Institutional and Government Core Energy Efficiency Partnership Program	\$ 1,029,885	\$ 22,500	\$ 3,241,615		\$ 4,294,000
	California Community Colleges Energy Efficiency Partnership	\$ 1,407,922	\$ 60,000	\$ 10,573,078		\$ 12,041,000
	California Department of Corrections and Rehabilitation Energy Efficiency Partnership	\$ 775,999	\$ 15,000	\$ 2,450,000		\$ 3,241,000
	County of Los Angeles Energy Efficiency Partnership	\$ 522,000	\$ 15,000	\$ 2,200,000		\$ 2,737,000
	County of Riverside Energy Efficiency Partnership	\$ 898,097	\$ 15,000	\$ 2,873,903		\$ 3,727,000
	County of San Bernardino Energy Efficiency Partnership	\$ 503,500	\$ 7,500	\$ 1,675,000		\$ 2,186,000
	State of California Energy Efficiency Partnership	\$ 904,000	\$ 65,000	\$ 2,700,000		\$ 3,669,000
	UC/CSU Energy Efficiency Partnership	\$ 1,440,999	\$ 60,000	\$ 12,516,000		\$ 14,019,000
	<b>TOTAL:</b>	<b>\$ 7,422,402</b>	<b>\$ 260,000</b>	<b>\$ 38,231,597</b>	<b>\$ -</b>	<b>\$ 45,914,000</b>

## 3. Projected Program Gross Impacts Table<sup>2</sup> – by calendar year

Table 2

SCE-L-005	Institutional and Government Core Energy Efficiency Partnership	2009-11 EE Program Gross kWh Savings	2009-11 EE Program Gross kW Savings	2009-11 EE Program Gross Therm Savings
	IGREEN	9,384,376	1,392	-
	California Community Colleges Energy Efficiency Partnership	38,926,292	5,774	-
	California Department of Corrections and Rehabilitation Energy Efficiency Partnership	7,188,089	1,066	-
	County of Los Angeles Energy Efficiency Partnership	7,188,096	1,140	-
	County of Riverside Energy Efficiency Partnership	8,042,578	1,425	-
	County of San Bernardino Energy Efficiency Partnership	5,466,335	874	-
	State of California Energy Efficiency Partnership	7,982,776	1,184	-
	UC/CSU Energy Efficiency Partnership	45,516,901	6,705	-
	<b>TOTAL</b>	<b>129,695,443</b>	<b>19,561</b>	<b>-</b>

## 4. Program Description

### a) Describe program

The Institutional and Government Core Energy Efficiency Partnership Program (IGPP) is an umbrella program comprising seven sub-programs. The IGPP incorporates two distinct program

<sup>1</sup> Definition of Table 1 Column Headings: **Total Budget** is the sum of all other columns presented here

**Total Administrative Cost** includes all Managerial and Clerical Labor, Human Resource Support and Development, Travel and Conference Fees, and General and Administrative Overhead (labor and materials).

**Total Direct Implementation** – includes all financial incentives used to promote participation in a program and the cost of all direct labor, installation and service labor, hardware and materials, and rebate processing and inspection used to promote participation in a program.

**Total Marketing & Outreach** includes all media buy costs and labor associated with marketing production.

**Integrated Budget Allocated to Other Programs** includes budget utilized to coordinate with other EE, DR, or DG programs.

**Total Budget** is the sum of all other columns presented here

Definition of Sub-Program: A “sub-program” of a program has a specific title; targets; budget; uses a unique delivery or marketing approach not used across the entire program; and for resource programs, has specific estimated savings and demand impacts.

<sup>2</sup> For all-electric IOUs, the therm column should include interactive effects.

types: Statewide institutional programs and county local government programs. During the 2006-2008 program cycle SCE successfully implemented six institutional and government partnerships that will continue, with one additional program added to the IGPP portfolio for 2009 – 2011 implementation.

Statewide institutional partnership programs include partnerships with community colleges, university systems, the California Department of Corrections and Rehabilitation and the California state government. County local government partnership programs include county governments located within SCE's service territory. Distinctions between each of these program types are incorporated here and will be outlined more specifically in the PIPs for the individual partnerships.

Some county local government partners are included in the Institutional and Government Partnership portfolio because the program has a strong emphasis on the implementation of energy efficiency in county municipal facilities. SCE is cognizant of the CPUC objectives to direct local government partnerships to work with communities in developing strategies that align with the California Long Term Energy Efficiency Strategic Plan (Strategic Plan).

At this juncture, some of our county governments have indicated they are not yet ready to fully participate in broader strategic initiatives, including community outreach and training activities. During this program cycle, the teams will strive to build the capacity for developing a community outreach and development plan for these local governments, and address the other objectives as articulated in the Strategic Plan (code compliance, reach codes and other local government strategies).

The Institutional and Government core program includes a funding mechanism that provides additional budget to support new projects and establish new partnerships during the 2009 – 2011 program cycle. This partnership approval will be coordinated Statewide if applicable and will follow the 2009 – 2011 process to develop new partnerships. These reserved funds could also be used for additional projects within the existing partnerships based upon SCE determination of need and optimal cost-effectiveness.

The seven proposed sub-programs are listed in Figure 1 below:

**Figure 1: Statewide Institutional Partnership Programs**

Statewide Programs	Description	Sources of Funding & Assistance
California Community Colleges (CCC) Energy Efficiency Partnership	The CCC Energy Efficiency Partnership has been a successful collaboration between the California Community Colleges (CCC) and the four Investor-Owned Utilities (IOUs). The CCC is a two-year public institution of higher education that is composed of 109 colleges Statewide and organized into 72 self-governing Districts.	Federal grants, state financing, local bonds, IOU incentives, comprehensive technical assistance and on-bill financing opportunities in accordance with Strategic Plan objectives.

<b>Statewide Programs</b>	<b>Description</b>	<b>Sources of Funding &amp; Assistance</b>
California Dept. of Corrections and Rehabilitation (CDCR) Energy Efficiency Partnership	The CDCR Energy Efficiency Partnership is a customized Statewide energy efficiency partnership program that coordinates Statewide projects with CDCR in Adult Institutions, Parole Offices, Community Conservation Camps, and Juvenile Facilities which encompass an estimated 48 million square feet of occupied space. It accomplishes immediate, long-term peak energy demand savings and establishes a permanent framework for sustainable, long-term comprehensive energy management programs at CDCR institutions served by California's IOU's.	Federal grants, state financing, IOU incentives and on-bill financing opportunities in accordance with Strategic Plan objectives.
UC/CSU Energy Efficiency Partnership	The University of California, California State University (UC/CSU), Southern California Edison (SCE) and the other Investor-Owned Utilities (IOUs) are collaborating to continue the UC/CSU Energy Efficiency Partnership to share energy efficiency best practices and to implement Statewide energy efficiency projects in 33 UC and CSU campuses for immediate and long-term energy savings and peak demand reduction.	Federal grants, state financing, local bonds, IOU incentives, comprehensive technical assistance and on-bill financing opportunities in accordance with Strategic Plan objectives.
State of California Energy Efficiency Partnership	The State of California and IOUs are collaborating to assist the state's 36 agencies to reduce the energy they purchase from the grid by 20 percent by the year 2015, as required by the governor's Executive Order S-20-04 (i.e., Green Building Initiative (GBI)). Like all Executive Orders, the GBI is an unfunded mandate that requires State agencies to support the governor's environmental agenda.	Federal grants, state financing, local bonds, IOU incentives, comprehensive technical assistance and on-bill financing opportunities in accordance with Strategic Plan objectives.

**Figure 2: County Local Government Partnership Programs**

<b>Local Government Programs</b>	<b>Description</b>	<b>Sources of Funding &amp; Assistance</b>
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<b>Local Government Programs</b>	<b>Description</b>	<b>Sources of Funding &amp; Assistance</b>
County of Los Angeles Energy Efficiency Partnership	<p>The County of Los Angeles Energy Efficiency Partnership is a continuation of the existing, successful 2004 - 2005, and 2006 - 2008 programs with SCE and SCG. The 2009 - 2011 partnership will build on the lessons learned and will continue to focus on identifying energy efficiency and retro-Commissioning activities in county facilities in support of the recently-adopted County of Los Angeles Energy and Environmental Policy.</p> <p>County partnerships will be looking at a broader scope with potential influence to the community. This will prepare them to transition to the Energy Leader Model.</p>	Federal grants, state financing, local bonds, IOU incentives, comprehensive technical assistance and on-bill financing opportunities in accordance with Strategic Plan objectives.
County of Riverside Energy Efficiency Partnership	<p>The partnership brings additional resources to expand the county's efforts to enhance electric and gas energy efficiency projects through state-of-the-art new construction and retrofits of existing buildings. This partnership integrates with the goals, objectives, and strategies articulated in the Strategic Plan.</p> <p>County partnerships will be looking at a broader scope with potential influence to the community. This will prepare them to transition to the Energy Leader Model.</p>	Federal grants, state financing, local bonds, IOU incentives, comprehensive technical assistance and on-bill financing opportunities in accordance with Strategic Plan objectives.
County of San Bernardino Energy Efficiency Partnership	<p>The County of San Bernardino Energy Efficiency Partnership is designed to achieve immediate and long term energy saving and demand reduction. The program will focus on delivering cost effective energy efficiency projects through state-of-the-art new construction and retrofits of existing buildings which will raise the awareness about the benefits of energy efficiency to the county.</p> <p>County partnerships will be looking at a broader scope with potential influence to the community. This will prepare them to transition to the Energy Leader Model.</p>	State financing, IOU incentives and on-bill financing opportunities in accordance with Strategic Plan objectives.

## Program Elements

The following four core program elements are common to all Institutional and Government Partnership programs:

- Institutional and Government Facilities;
- Strategic Plan Support;
- Core Program Coordination; and
- Funding Mechanism for New Partnerships.

Core program elements and sub-elements common to all partnerships are presented in the Figure 3 below, and described in more detail in the sections that follow:

**Figure 3: List of Program Elements, sub-programs and Types**

Core Program Elements	Sub-program Elements		Type of Program Element
1 – Institutional and Government Facilities*	1a	Energy Efficiency Retrofits	Resource
	1b	Retro-Commissioning (RCx) & Monitoring Based Commissioning (MBCx)	Resource
	1c	New Construction	Resource
	1d	Technical assistance audits, engineering, project reviews, etc.	Resource
	1e	On-Bill Financing	Non-Resource
2 – Strategic Plan Support	2a	Code Compliance Support	Non-Resource
	2b	Reach Code Support	Non-Resource
	2c	Guiding Document(s) Support	Non-Resource
	2d	Funding Sources	Non-Resource
	2e	Peer-to-Peer Support	Non-Resource
3 – Core Program Coordination	3a	Outreach & Education	Non-Resource
	3b	Demand Response Coordination	Demand Response
	3c	Third Party Program Coordination	Non-Resource
	3d	Emerging Technologies	Non-Resource
	3e	Technical support for program management, training, etc.	Non-Resource
4 – Institutional and Government Resource	4	Funding Mechanism for additional projects and new partnerships mid cycle	Resource

### Note\*: Institutional and Government Facilities

A common program objective is to reduce energy usage through facility and equipment improvements, shared best practices, education and training. The partnership model is intended to raise awareness, build resources and skills, and deliver energy services. To reduce peak demand and create energy savings in existing facilities, Institutional and Government partnerships work with partnering agency staff to develop a pool of retrofit projects for implementation contingent upon the availability of funds. Program activities to increase the efficiency of institutional and government facilities are described in Figure 4 below.

**Figure 4: Government Facilities sub-program Elements, Descriptions and Funding Sources**

<b>Sub-program Elements</b>	<b>Description</b>	<b>Source of Funding and Assistance</b>
1a-Energy Efficiency Retrofits	Achieve energy & demand savings by identifying and implementing energy efficiency opportunities in new & existing facilities.	IOU provides enhanced incentives & technical assistance.
1b-RCx & MBCx	Achieve energy & demand savings by retro-commissioning existing facilities.	IOU provides enhanced incentives & technical assistance.
1c-New Construction	Achieve energy & demand savings by utilizing the utilities internal new construction services group to assist in the design and development of building construction above Title 24.	IOU provides enhanced incentives & technical assistance.
1d-Engineering Support	Technical assistance audits, engineering, project reviews, etc.	IOU provides technical assistance and engineering support.
1e-On-Bill Financing	Zero to low-interest loans for energy efficiency projects that are repaid through payments assessed and collected through normal monthly energy bills (see below note)	SCE's on-bill financing will be supplemented with information about other potential sources of low cost financing, such as CEC.

**FIGURE 4.1A ENERGY EFFICIENCY RETROFIT**

This energy efficiency element may include: 1) lighting retrofit projects such as complete internal and external lighting retrofits (T5 technology, LED applications, newer 28 watt T8's, and in some cases replacing magnetic ballasts and T12 lamps), building-wide lighting controls, and sensors; 2) replacement of motors, variable frequency drives, energy management system upgrades; and, 3) HVAC upgrades/replacements including; chiller replacements and central plant upgrades. The percentages of lighting/HVAC/other measures are provided in the sub-programs. The partnerships will investigate opportunities to include energy efficiency and demand response measures in all major new construction and renovation projects, special repair projects, and standard scheduled maintenance operations.

To reduce peak demand and create energy savings in the existing facilities of the institutional partners, the partnerships will work with the facilities staff to identify facilities and develop a pool of retrofit projects for implementation. The scope of the projects will be contingent on the availability of funds; however, the partnerships will work to ensure that projects are lined-up in the event that additional funding is securable.

Each of the partnerships will have methodologies for identifying projects that work within their respective organizational structures. The identification strategy will involve the partnership teams preparing lists of potential projects and the institutional customers matching this list with available budgets and existing comprehensive modernization plans. The Partnership will also ensure a balanced and comprehensive portfolio, offering a mix of strategies and measures to be implemented. Identification of potential sites includes utilities providing lists of service accounts with their annual consumption and peak demand values and consultants visiting selected sites to evaluate the efficiency upgrade potential of those sites.

In some cases, the U.S. Department of Energy's Portfolio Manager web site will be used to evaluate ENERGYSTAR scores for buildings. (This evaluation system is only applicable to some of the building types in these partnerships.) High-scoring buildings (above 75) basically meet the requirements of Executive Order S-20-04. Lower-scoring buildings will be higher potential candidates for either retrofit projects or retro commissioning.

Many partnerships will also pursue opportunities to facilitate the installation of distributed generation and renewable energy. Some have installed solar power and/or cogeneration, and at least one is actively looking for a possible site to install a fuel cell. When applicable, the partnerships may assist in these ongoing operations by providing incentives and technical aid to support of energy efficiency elements of those activities.

Some partners are also participating in demand response and peak load management programs. As with renewable energy, the partnerships will enable greater visibility of the available programs in these areas that could benefit both the utilities and the customers.

**FIGURE 4.1B RETRO-COMMISSIONING AND (RCx) MONITORING-BASED COMMISSIONING (MBCx)**

The RCx and MBCx projects will serve as opportunities to demonstrate a cost-effective approach to optimizing facility operations, saving both electric and gas energy, reducing operating costs while improving occupancy comfort, and improving environmental quality and reducing greenhouse gas emissions. Where applicable and cost effective, rooftop units tune up may also be include in the process. The outcome of the projects will serve as an example to other internal departments within each customer organization, to other government agencies, and to private sector entities to encourage them to retro-commission their facilities.

Activities for this element may include but are not limited to the following:

- Selecting candidate buildings for RCx/MBCx based on results of benchmarking efforts or participation in the SCE retro-commissioning program.
- Developing RCx/MBCx plans for each candidate building.
- Investigating opportunities through technical assessments of major building systems (lighting, HVAC, etc.).
- Conducting pre-functional tests of building systems.
- Identifying and correcting minor no-cost/low-cost deficiencies as well as capital improvement measures for future planning that may further improve system operation.
- Utilizing analysis/modeling/simulation software to model building operation and determine scenarios for optimum performance.
- Conducting functional performance tests to ensure proper operation of the optimized systems.
- Developing training manuals and monitoring capabilities (if applicable) to ensure persistence of energy savings.
- Developing plans to comply with the governor's executive order and/or local government directives for future benchmarking and RCx activities.

**FIGURE 4.1C NEW CONSTRUCTION AND DESIGN ASSISTANCE**

New Construction is a significant opportunity to achieve a breakthrough in energy savings for institutional and government partners. The partnerships will endeavor to influence implementation of energy efficiency measures that exceeds current Title 24 code in all newly constructed buildings. Although some of these institutional and government entities have

overarching directives that strive for laudable energy efficiency goals, in practice, these goals are not always implemented. Budget, competing pressures And other constraints, as well as a lack of awareness or knowledge may inhibit the realization of these goals in many new construction projects.

The 2009 – 2011 partnership programs will establish a process to integrate the new construction design assistance program under the partnership umbrella. This integration will provide a coordinated project management function with partnership management team oversight. Existing new construction services resource will be utilized to support the new construction projects while using the Saving-By-Design program guidelines. Similar to SBD, the partnership programs will help the partners, their architects, engineers, specialized consultants, and other key actors throughout their organization to achieve optimum energy and resource efficiency in their design projects through offerings such as multi-level design and technical and financial assistance. In addition, the partnership will consider additional incentive dollars to implement those measures that demonstrate persistent energy savings but may be value-engineered out of the project scope due to budget and time constraints.

The collaborated effort will ensure that all applicable new construction projects will have the opportunity to participate in the programs, allow for early and aggressive intervention and continued project monitoring will minimize lost opportunities that may result when a building's energy performance is not a primary design consideration. Energy efficiency will be promoted in new construction or major remodel/renovation projects through three complementary and coordinated components – Whole Building Approach (Integrated Design), Systems Approach, and the Simplified Approach for Small Projects.

By helping our partners to design and build more energy efficiency, the collaborative effort will support the Strategic Plan goals of zero net energy for commercial buildings by 2030.

#### **FIGURE 4.1D ENGINEERING TECHNICAL SUPPORT**

Technical Support is provided to help customers identify projects for potential implementation and will coordinate with Demand Response and other demand side management programs for an integrated approach. This support may include:

- Training and education;
- Energy audits;
- Technical assistance;
- Design assistance; and
- Due diligence/project review.

#### **FIGURE 4.1E ON-BILL FINANCING**

The Financial Solutions program offered by SCE is a local, non-resource program that will be coordinated closely with the other IOUs, financial institutions, and both the CPUC and CEC. The program is local because the actual offerings will vary by service area depending on local financial institutions and customer needs. On-bill financing is a non-resource element within the Financial Solutions program and will offer zero-interest financing for qualifying energy efficiency installations of lighting, refrigeration, and air conditioning measures for core SCE Market Segments, such as the Commercial and Industrial Market Segments and for government and institutional partnership programs.



Many of the government and institutions are unable to incorporate energy efficiency designs or retrofits due to the lack of capital funds and complex procurement and funding procedures after the initial budget has been approved. The OBF element can be an effective tool that will increase participation and minimize lost opportunities

For more information see Financial Solutions PIP.

## 2 – Strategic Plan Support

The IGPP supports the Strategic Plan through promotion of code compliance, reach codes, sustainability policy development, project financing and by providing opportunities for partners to lead by example. Under State law, local governments, through their building permit and inspection processes, are responsible for enforcement of Titles 20 and 24. The partnerships will work together to develop a process for counties to identify and increase code compliance. Through the IGPP engagement channel, the Codes and Standards Program and the WE&T Synergies Programs can support local governments' Title 24 enforcement activities by providing energy code training for plan checkers, inspectors, and the trades. Local governments can adopt building standards more stringent than State and Federal mandates and implement reach codes and systems of voluntary rewards and incentives. IGPP will provide templates and tools for development of institution and government energy and sustainability plans, communicate options for financing projects and create forums for partners to share lessons learned. IGPP Strategic Plan support activities are summarized in Figure 5:

**Figure 5: Strategic Plan Support sub-program Elements, Descriptions and Funding Sources**

<b>Sub-program Elements</b>	<b>Description</b>	<b>Source of Funding and Assistance</b>
2a-Code Compliance Support	Support segment customers with project review that will lead to energy code compliance. Where applicable for county governments, will support code compliance training to build staff knowledge and code compliance through the construction cycle.	Technical support through project due diligence review and code compliance training support
2b- Reach Code Support	Support segment customers with adoption of policies that will implement projects above Title 24 requirements.	Technical assistance and recommendation efforts.
2c-Guiding Document(s) Support	Provide technical support and recommendations for development of templates and tools to support partnerships through their energy policies and sustainable efforts that will align with the Strategic Plan.	Technical support to develop guidelines for Energy Action Plan template
2d-Project Financing, and Other Funding Sources	Federal grants, state financing, local bonds, IOU incentives, comprehensive technical assistance and on-bill financing opportunities in accordance with Strategic Plan objectives.	Project management support to identify potential funding sources.
2e-Peer-to-Peer Support	Partners present energy efficiency experience at conferences and share best practices to communicate information on a peer-to-peer basis.	Outreach efforts to collaborate and share best practices in appropriate venues (e.g. industry conferences)

### **Figure 5.2a Code Compliance Support**

Due diligence reviews may be conducted that will ensure code compliance and the potential of meeting or exceeding code requirement by desired levels. Integration of the New Construction element into partnership process will ensure early notification, involvement and review of design and support plan check processes to ensure recommendations continue to be intact through the design, approval and construction process. Typically, when construction issues arise, such as limited construction funds, designed energy efficiency elements will be valued engineered out of the project. However, with an active management approach, the partnership will minimize the value engineering activities and will achieve more projects that exceed code.

The partnership will work together to develop a process for counties to identify and increase code compliance work. Codes and Standards and the WE&T Synergies Program support and leverage local governments' Title 24 enforcement activities with energy code training for plan checkers, inspectors, and the trades.

### **Figure 5.2b Reach Code Support**

The partnership model is a good approach for reach code support. Lost opportunities can be minimized by having an active management team that will work with each partner organization to identify new construction and modernization projects. With partnership involvement through technical support and financial incentives, new construction designs will be encouraged to exceed code and retrofit projects will meet and/or exceed code.

To the extent possible, the partnership will provide technical support and training opportunities to partners' organizations or local government jurisdictions in their efforts to develop policies and/or green ordinances that exceed current codes.

### **Figure 5.2c Guiding Document Support**

Guiding document support will be provided by IOUs to create templates and tools for development of energy and sustainability plans. The templates will help the government and institutional partners navigate through the vast body of information and the complex issues related to energy and environmental policies. The guiding document will enable partners to use this tool for guiding future decision making process and will bring about the desired adoption of higher standards for energy efficiency and other sustainable activities that will align with the Strategic Plan.

### **Figure 5.2d Funding Sources**

Partnership programs will communicate options for accessing available funds for implementing energy saving projects, such as: federal grants, state financing, local bonds, IOU incentives and on-bill financing opportunities in accordance with Strategic Plan objectives. The partnership team and participating partner organization may explore financing alternatives such as rebates and incentives, on-bill financing, CEC funding, AB 811 funding mechanism, application of existing budget, and Energy \$Mart financing to maximize the state or county's investment in energy efficiency.

Often the strengths of the customer organizations are leveraged in order to provide various in-kind contributions that benefit the entire program. These contributions include, but are not limited to, project management, facility personnel, marketing, site location venues and administrative time.

### **Figure 5.2e Peer-to-Peer Support**

Peer-to-peer support is considered a key part of SCE's partnership strategy. Forums will be created for partners to share best practices and to support each other. Institutional and Government partners utilize the conference venue and partnership workshops to present lessons learned and share success stories to expand outreach and encourage other segment customers to implement these various strategies.

**Figure 6 - Core Program Coordination sub-program Elements and Program Types**

<b>Core Program Elements</b>	<b>Sub-program Elements</b>		<b>Type of Program Element</b>
3 – Core Program Coordination	3a	Outreach & Education	Non-Resource
	3b	Integrated Demand-Side Management (IDSM)	Reduce peak electric demands by enrolling non-critical municipal facilities (i.e., those not needed for emergency services &/or that will not incur incremental risks to public health & safety or damage to systems & operations) in integrated demand-side management programs (Distributed Generation, California Solar Initiative and Demand Response)
	3c	Third Party Program Coordination	Non-Resource
	3d	Emerging Technologies	Non-Resource
	3e	Technical assistance for program management, training, audits, etc.	Non-Resource

### **FIGURE 6.3A OUTREACH, EDUCATION AND TRAINING ELEMENT**

Workshops will be coordinated and delivered in conjunction with other partnership efforts. In addition, the partnership team will coordinate with existing training centers such as SCE's Customer Technology Application Center (CTAC) and Agricultural Technology Application Center (AgTAC), Southern California Gas's Energy Resource Center, and PG&E's Pacific Energy Center to deliver various technical training courses to improve the skills and knowledge of facility staff.

The education and training activities will include workshops for facility managers. They will receive training on best practices for implementation of energy efficiency retrofit projects, building operations, and new technologies that may be applicable to the effective completion of their daily tasks. Participants will have an opportunity to explore the utility programs currently available. In addition, the partnerships will provide opportunities for participants to share best practices with other facility managers.

The training of multiple groups and types of personnel within the institutional partners will help ensure partnership coordination of the project implementation process and coordination and cooperation of all key actors from all departments within the organization.

This will:

- Increase the transfer of DSM knowledge and implementation experience;
- Increase awareness and knowledge of the benefits of energy efficiency initiatives;
- Integrate efforts between partnership activities and utility programs offerings;
- Reduce the number of projects that are implemented without attention to energy efficiency;
- Increase the number of institutional departments and/or local government agencies that use energy efficiency as a key decision-making parameter; and
- Increase communication and build peer-to-peer relationships among various key personnel in the facilities management groups of many departments, agencies, and organizations.

#### **FIGURE 6.3B INTEGRATED DEMAND SIDE MANAGEMENT**

IOU energy efficiency and demand response program staff will collaborate with partners to conduct comprehensive audits and identify energy efficiency measures and demand response opportunities. The approach will reduce technical resources by combining EE/DR audits to avoid duplication and to collaborate on incentive offerings which will all minimize customer interruptions.

The partners will identify facilities or an aggregation of facilities under a service account in order to establish opportunities for demand response participation that will meet the program eligibility of a 30 kW minimum DR opportunity per service account.

The partnership will also assist, where applicable, facility management staff that are interested in solar technology and will provide recommendations applicable to facility operations through energy audits to improve its facilities with less costly EE/DR measures before implementing more costly solar technologies.

#### **Figure 6.3c Third Party Program Coordination**

Management team will discuss all offerings and ensure communication of third party programs. If there are third party programs that have unique features currently not offered by the partnerships, the management team will review the program to determine whether the partnerships can benefit. After the offering has been approved by the partnership and deemed beneficial, the team will coordinate the tasks to be completed by the partners to achieve energy savings and demand reduction. The third party program will then be utilized to augment the services and these activities will be communicated through the partnership team.

#### **FIGURE 6.3D EMERGING TECHNOLOGIES ELEMENT**

Institutional and government customers provide venues for the piloting of new technologies and may test technologies that potentially could be scaled up across the state. The Codes and Standards Program considers partnerships a high priority in the selection of test sites and also links with CEC's PIER program. Codes and Standards and the WE&T Synergies Program will support local governments' Title 24 enforcement activities with energy code training for plan checkers, inspectors, and the trades.

Furthermore, some of the customers have expressed interested in serving as beta test sites for new technologies. Through the partnerships, the utilities will be able to work hand-in-hand with the Energy Commission researchers and the institutional and government partners to develop pilot projects to demonstrate the technologies. These partnerships may well become key avenues by which new products or technologies can be installed, tested, and evaluated.

### **FIGURE 6.3E TECHNICAL SUPPORT**

#### **Subcontractor Activities**

Subcontractors may be used to assist in program administration and management, and will provide professional and technical support for implementing each of the program elements. Where applicable, a program consultant will assist in day-to-day coordination and communication among the statewide partners as follows:

- Provide staffing to the management team and program specific subcommittees and implementation teams;
- Coordinate, schedule, and document results and action items from program team meetings;
- Prepare and conduct formal presentations and participate in conferences as required by the management team;
- Develop and maintain a project tracking and reporting database system;
- Assist the IOUs and partners in partnership reporting;
- Assist in the development of workshop agendas and materials, identification of experts, facilitation of workshops and training sessions, and preparation of minutes for the Training and Education component; and
- Miscellaneous professional and technical assistance as requested by the IOUs.

**Figure 7 – Funding Mechanism for New Partnerships Programs, Sub-program Elements and Types**

Core Program Elements	Sub-program Elements		Type of Program Element
4 – Institutional and Government Resource	4	Funding Mechanism for additional projects and new partnerships mid cycle	Resource

This funding mechanism is designed to establish new partnerships. In order to create a new partnership, the I&G customer would develop an abstract similar to those used in the initial program planning for the 2009 - 2011 program cycle. If the partnership is with SCE only, the abstract would be submitted to the SCE program manager, either directly or through the customer's SCE customer representative. The program managers would then review the abstract and ascertain its viability and cost-effectiveness, as well as the availability of remaining funds. If the proposed partnership appears viable and there are sufficient funds

remaining, the program manager will work with the potential partner to develop a program implementation plan and obtain appropriate levels of approvals before implementation.

If the partnership is Statewide, it will include California's other IOUs (Pacific Gas and Electric, Southern California Gas, and/or San Diego Gas and Electric). The development will be coordinated with the participating IOUs to ensure consistency in program development, program implementation plan, incentive rates, and management and reporting. Partnership approval will be coordinated statewide and will follow the steps as noted above.

The reserve funds could also be used for additional projects within the existing partnerships based upon SCE's determination of need and optimal cost-effectiveness.

**b) List measures**

The Institutional and Government Partnership program described herein is an umbrella program comprises multiple statewide institutional and county local government programs. Measure technologies and corresponding incentive levels may vary depending upon partnership specific requirements. The following table provides a general description of program measures and incentive levels:

**Figure 8: List of I&G Measures**

Measure Name	Rebate to end use customer or its assignee (\$/unit)
Customized - Indoor Lighting	\$0.15-.24
Customized - Indoor Lighting Controls & EMS	\$0.15-.24
Customized - Outdoor Lighting	\$0.15-.24
Customized - Outdoor Lighting Controls	\$0.15-.24
Customized – Motors	\$0.18-.24
Customized – Variable Frequency Drives (VFD)	\$0.18-.24
Customized - HVAC EMS	\$0.18-.24
Customized – Chillers	\$0.24
Customized – HVAC	\$0.24
RCx/MBCx	\$0.24
Overall Building Performance	\$0.10 above SBD core
System Approach - Light Power Density	\$0.10 above SBD core
System Approach – Chillers	\$0.10 above SBD core
System Approach – Daylighting	\$0.10 above SBD core
System Approach – HVAC Energy Reduction	\$0.10 above SBD core

Unless stated otherwise in the Individual Partnership sub-program PIPs, the measure mix will be Lighting (60%), HVAC (20%) and other measures (20%).

**c) NON-INCENTIVE CUSTOMER SERVICES**

The Institutional and Government partnerships engage in activities that may not be directly or immediately linked to reduction of energy, but are critical to the advancement and success of partnerships. These activities may include non-energy tasks such as:

1. Technical assistance including due diligence/project review for retrofit and retro-commissioning (RCx)/monitoring-based commissioning (MBCx) project development;
2. Design assistance for new construction;
3. Energy audits; and
4. Training, Education and Outreach – conduct technology workshops, presentations at industry and association conferences, attendance at conferences, meetings, community fairs and outreach events, and distribution of educational materials.

Other non-incentive customer services may include:

- Strategic Plan support (meetings, policy, and coordination with state agencies);

- Quality Assurance and Evaluation support (codes & standards, project evaluation and engineering support);
- Funding Sources (investigating feasibility of, and preparing documents for applications for state or government energy grants); and
- Program Administration and Management support (preparing tracking spreadsheets, database inputs, and project agreement packages).

## **5. Program Rationale and Expected Outcome**

SCE and the other IOUs face the challenge of implementing cost effective energy efficiency programs that will result in both immediate, long-term peak energy and demand savings in their service territories. The institutional and government customers consume vast quantities of energy and make up a large portion of the both the electric and natural gas load in the State of California. These entities are large, complex organizations with a broad set of goals, stakeholders, processes and constituencies. They serve and/or support various segments of the market. They are diverse from a geographic, climate, and operational needs standpoint.

But with size and diversity comes a considerable opportunity to save energy use and cost on a scale that is meaningful to the IOUs and to California. The Institutional Energy Efficiency Partnership Program is designed to meet these challenges.

SCE's objectives for the Institutional partnership are to:

- Influence energy decisions by demonstrating the successful implementation of a comprehensive approach to achieving energy management goals. This approach includes support in assessing and setting performance goals, developing an action plan, implementing projects to achieve energy savings and verifiable results.
- Deliver immediate and long term energy saving and demand reduction results through integrated partnership activities. These activities will utilize Energy Efficiency (EE), Demand Response (DR), California Solar Initiative (CSI), Self Generation Incentive Programs (SGIP) as applicable to the partner.
- Facilitate enhanced compliance with codes and standards (AB 32, LEED, Exceeding Title 24 standards, etc.).
- Reduce greenhouse gas emissions in California through a reduction in electricity and gas consumption of the partnership programs. SCE will calculate the reduction of CO2 reduction in metric tons by determining the annual life-cycle energy savings in accordance with California Assembly Bill 32 (AB 32).
- Leverage partners' internal communication structure to bring IDSM information to internal departments more effectively.
- Direct a stronger focus on helping partners lead by example through addressing energy efficiency opportunities in their own facilities. Specifically, the partnerships will provide (1) technical assistance in identifying energy efficiency retrofit and retro-commissioning (RCx) projects, (2) financial assistance to help overcome barriers to implementation of these projects, and (3) combined EE/DR audits.

## **Expected Outcomes**



The partnerships will deliver energy savings and peak demand reduction in the facilities of the partner customers and other government agencies. These energy savings will be accomplished by evaluating the energy efficiency potential of existing buildings and then implementing retrofits and/or retro commissioning of those buildings. Additional savings will be achieved by working in the early stages of new construction projects to assure the most energy-efficient design acceptable to the customer (and to increase the desire to make highly energy-efficient designs “acceptable”). Customers that are eligible for demand response programs will be directed to those resources established within SCE.

Other program results will:

- Encourage executive management support for energy efficiency. Create opportunities to save energy, reduce operating costs, and improve occupancy comfort.
- Demonstrate cost-effective implementation of energy projects by supplementing the customers’ project funding with the incentives offered by the utilities.
- Evaluate the value of energy efficiency activities and the benefits associated with retro-commissioning.
- Exhibit the potential for future public/private partnership efforts.
- Construct long-term plan for retrofit and retro-commissioning projects to be implemented throughout the program cycle. Plan will include; a comprehensive audit of customer facilities, identification of eligible projects and implementation.
- Share best practices and achievements from partnership activities in public forums such as CPUC Workshops, Industry Events, and peer to peer interactions.
- Increase awareness of energy efficiency among elected leaders, agency managers, operating staff, and the general public.

**a) Quantitative Baseline and Market Transformation Information**

Market Transformation (MT) metrics proposed in Tables 3 and 4 are preliminary. The proposed metrics are meant to initiate a collaborative effort to elaborate meaningful metrics that will provide overall indicators of how markets as a whole are evolving. MT metrics should neither be used for short-term analyses nor for specific program analyses; rather, should focus on broad market segments.

Market transformation is embraced as an ideal end state resulting from the collective efforts of the energy efficiency field, but differing understandings of both the MT process and the successful end state have not yet converged. The CPUC defines the end state of MT as “Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate in that specific market.”<sup>3</sup> The Strategic Plan recognizes that process of transformation is harder to define than its end state, and that new programs are needed to support the continuous transformation of markets around successive generations of new technologies<sup>4</sup>.

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<sup>3</sup> California Public Utilities Commission Decision, D.98-04-063, Appendix A.

<sup>4</sup> California Public Utilities Commission (2008) *California Long Term Energy Efficiency Strategic Plan*, p. 5. Available at <http://www.californiaenergyefficiency.com/docs/EEStrategicPlan.pdf>

Market transformation programs differ from resource acquisition programs on 1) objectives, 2) geographical and 3) temporal dimensions, 4) baselines, 5) performance metrics, 6) program delivery mechanisms, 7) target populations, 8) attribution of causal relationships, and 9) market structures<sup>5</sup>. Markets are social institutions<sup>6</sup>, and transformation requires the coordinated effort of many stakeholders at the national level, directed to not immediate energy savings but rather to intermediary steps such as changing behavior, attitudes, and market supply chains<sup>7</sup> as well as changes to codes and standards. Resource acquisition programs rely upon the use of financial incentives, but concerns have been raised that these incentives distort true market price signals and may directly counter market transformation progress<sup>8</sup>. According to York<sup>9</sup>, “Market transformation is not likely to be achieved without significant, permanent increases in energy prices. From an economic perspective, there are 3 ways to achieve market transformation: (1) fundamental changes in behavior, (2) provide proper price signals, and (3) permanent subsidy.”

The question of what constitutes successful transformation is controversial because of a Catch-22: Market transformation is deemed successful when the changed market is self-sustaining, but that determination cannot be made until after program interventions are ended. Often, however, the need for immediate energy and demand savings or immediate carbon-emissions reductions will mean that program interventions may need to continue, which would interfere with the evaluation of whether MT is self-sustaining. Market transformation success has also been defined in terms of higher sales of efficient measures than would have otherwise occurred against a baseline absent of program interventions. The real world, however, provides no such control condition. Evaluators must estimate these baselines from quantitative factors such as past market sales that may be sparse and/or inaccurate - particularly for new products. Evaluations must also defer to expert judgments on what these baselines may have been as well as on the degree of successful market transformation<sup>10</sup>. Due to the subjective nature of these judgments, it is imperative that baselines as well as milestone MT targets be determined and agreed upon through collaborative discussion by all stakeholders, and these targets may need periodic revision as deemed necessary by changing context.

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<sup>5</sup> Pelozo, J., and York, D. (1999). “Market Transformation: A Guide for Program Developers.” Energy Center of Wisconsin. Available at: <http://www.ecw.org/ecwresults/189-1.pdf>

<sup>6</sup> Blumstein, C., Goldstone, S., & Lutzenhiser, L. (2001) “From technology transfer to market transformation”. Proceedings of the European Council for an Energy Efficient Economy Summer Study. Available at [http://www.eceee.org/conference\\_proceedings/eceee/2001/Panel\\_2/p2\\_7/Paper/](http://www.eceee.org/conference_proceedings/eceee/2001/Panel_2/p2_7/Paper/)

<sup>7</sup> Sebold, F. D., Fields, A., Skumatz, L., Feldman, S., Goldberg, M., Keating, K., Peters, J. (2001) *A Framework for Planning and Assessing Publicly Funded Energy Efficiency*. p. 6-4. Available at [www.calmac.org](http://www.calmac.org).

<sup>8</sup> Gibbs, M., and Townsend, J. (2000). The Role of Rebates in Market Transformation: Friend or Foe. In *Proceedings from 2000 Summer Study on Energy Efficiency in Buildings*.

<sup>9</sup> York, D., (1999). “A Discussion and Critique of Market Transformation”, Energy Center of Wisconsin. Available at <http://www.ecw.org/ecwresults/186-1.pdf>.

<sup>10</sup> Nadel, S., Thorne, J., Sachs, H., Prindle, B., and Elliot, R.N. (2003). “Market Transformation: Substantial Progress from a Decade of Work.” American Council for an Energy-Efficient Economy, Report Number A036. Available at: <http://www.aceee.org/pubs/a036full.pdf>

Market transformation draws heavily upon diffusion of innovation theory<sup>11</sup>, with the state of a market usually characterized by adoption rate plotted against time on the well-known S-shaped diffusion curve. In practice, however, the diffusion curve of products may span decades<sup>12</sup>. Market share tracking studies conducted 3, 5 or even 10 years after the start of an MT program may reveal only small market transformation effects<sup>13</sup>. The ability to make causal connections between these market transformation effects and any particular program's activities fades with time, as markets continually change and other influences come into play.

These challenges mentioned above are in reference to programs that were specifically designed to achieve market transformation; and these challenges are only compounded for programs that were primarily designed to achieve energy and demand savings. However, since the inception of market transformation programs almost two decades ago, many lessons have been learned about what the characteristics of successful MT programs are. First and foremost, they need to be designed specifically to address market transformation. "The main reason that (most) programs do not accomplish lasting market effects is because they are not designed specifically to address this goal (often because of regulatory policy directions given to program designers.)<sup>14</sup>" The Strategic Plan recognizes that regulatory policies are not yet in place to support the success of market transformation efforts<sup>15</sup>, but also reflects the CPUC's directive to design energy efficiency programs that can lay the groundwork for either market transformation success or for codes and standards changes.

Above all else, the hallmark of a successful market transformation program is in the coordination of efforts across many stakeholders. The most successful MT programs have involved multiple organizations, providing overlapping market interventions<sup>16</sup>. The Strategic Plan calls for coordination and collaboration throughout, and in that spirit the utilities look forward to working with the CPUC and all stakeholders to help achieve market transformation while meeting all the immediate energy, demand, and environmental needs. Drawing upon lessons learned from past MT efforts, the Energy Center of Wisconsin's guide for MT program developers<sup>17</sup> suggests that the first step is not to set end-point definitions, progress metrics or goals. Rather, the first steps include forming a collaborative of key participants. As the Strategic Plan suggests, these may include municipal utilities, local governments, industry and business leaders, and consumers. Then, with the collective expertise of the collaborative, we can define markets, characterize markets, measure baselines with better access to historical data, and define objectives, design strategies and tactics, implement and then evaluate programs. The collaborative will also provide insights that will set our collective expectations for the size of market effects we can expect, relative

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<sup>11</sup> Rogers (1995) *Diffusion of Innovations*, 5<sup>th</sup> Ed.

<sup>12</sup> Example in bottom chart of this graphic from NYTimes:  
<http://www.nytimes.com/imagepages/2008/02/10/opinion/10op.graphic.ready.html>

<sup>13</sup> Sebold et al (2001) p. 6-5,

<sup>14</sup> Peters, J.S., Mast, B., Ignelzi, P., Megdal, L.M. (1998). *Market Effects Summary Study Final Report: Volume 1.* Available at <http://calmac.org/publications/19981215CAD0001ME.PDF>.

<sup>15</sup> CPUC (2008) Strategic Plan, p. 5.

<sup>16</sup> Nadel, Thorne, Saches, Prindle & Elliot (2003).

<sup>17</sup> Pelozo & York, (1999).

to the amount of resources we can devote to MT. No one organization in the collaborative will have all the requisite information and expertise for this huge effort. This truly needs to be a collaborative approach from the start.

The metrics and baselines described below in Tables 3 and 4 are presented for the purposes of starting the much-needed discussion between all key participants. These are suggestions, intended to allow key participants to pilot-test processes for establishing baseline metrics, tracking market transformation progress, and for refining evaluation tools. Early trial of these evaluation metrics will reveal any gaps in data tracking so that we may refine our processes before full-scale market transformation evaluations take place.

The set of metrics we selected is intentionally a small set, for several reasons. First, as mentioned, the full set of metrics and baselines need to be selected by key participants. Second, we anticipate that market share data for many mid- and low-impact measures will be too sparse to show MT effects and not cost-effective to analyze. Third, we selected core measures and metrics that would both be indicative of overall portfolio efforts. These measures are also likely to be offered on a broad level by other utilities, providing a greater base of sales and customer data that could be analyzed for far-reaching MT effects.

Therefore, for the Institutional and Government Partnerships, the utilities recommend development of a baseline, and tracking the number of cities, counties and government institutions that have plans for written energy efficiency provisions. Such a metric relates directly to the Strategic Plan (Goal 12.3.4) in terms of measuring progress towards 50% plans for sustainability.

With this discussion in mind, IOUs propose the following metrics for this sector:

**Table 3**

	<b>Baseline Metric</b>
	<b>Metric A</b>
Energy Efficiency Action Plans	Baseline inventory of cities, counties and government institutions within the IOU territory with that have adopted Energy Efficiency Action Plans

**b) Market Transformation Information**

As stated above, market transformation draws heavily upon diffusion of innovation theory, with the state of a market characterized by adoption rate plotted against time on the well-known S-shaped diffusion curve. In practice, however, the diffusion curve of products may span decades. Market share tracking studies conducted 3, 5 or even 10 years after the start of an MT program may reveal only small market transformation effects. Therefore it is problematic, if not impractical, to offer internal annual milestones towards market transformation sectors and specific program activities.

As a consequence, it is not appropriate to offer more than broad and general projections. Any targets provided in the following table are nothing more than best guesstimates, and are subject to the effects of many factors and market forces outside the control of program implementers.

**Table 4**

<b>Market Sector and Segment</b>	<b>Internal Market Transformation Planning Estimates</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
Baseline inventory of cities, counties and government institutions within the IOU territory with that have adopted Energy Efficiency Action Plans	Improvement over baseline, over time	Improvement over baseline, over time	Improvement over baseline, over time

**c) Program Design to Overcome Barriers**

The institutional and government partnerships are large and complex organizations. As such, they represent millions of square feet of building space and millions of potential kilowatt-hours of energy savings.

The complexity of these institutions creates barriers to effective efficiency improvements, due to internal processes, regulations, funding and bureaucracy.

The partnerships have worked diligently to overcome these barriers, though many still exist. Partnership teams have been established and include: customer staff, utility staff, and consulting professionals. These teams enable the partnerships to overcome these barriers through a number of important mechanisms described below:

**Figure 9: Primary Barriers and Strategies**

<b>Primary Barriers</b>	<b>Strategies to Overcome Barriers</b>
<p><u>Project Funding Constraints.</u> Energy efficiency is cost budgets are limited. The decision-makers who can app project details often choose not to implement the higher more-efficient systems, equipment, or technologies. Incentive dollars are most often allocated to the general which makes for an inability to ensure incentives are allocated toward the participating department budget.</p> <p>Although IOUs have developed on-bill financing, many institutional and local government entities are not yet able to take advantage of this funding source.</p>	<p><u>Incentives</u> help relieve budgetary constraints and assist the economic evaluations of the customers by making energy efficiency more cost-effective. In addition to their purely economic role, the incentives play an important part in promoting the importance and visibility of energy efficiency.</p> <p><u>The Energy \$Mart Loan program</u> has been created to finance energy projects through the Department of General Services.</p> <p><u>The IOUs</u> will communicate the process of utilizing on-bill financing as an integral part of all energy efficiency projects. These sources of funds will be developed as a way of financing smaller retrofit and modernization upgrades. Work with partners to ensure they are able to use this financing option.</p> <p><u>Internal Policy for Incentives</u> Assist customer with identifying ways of authorizing funding departments to recapture dollars received from incentives to reinvest in future energy projects.</p>

Primary Barriers	Strategies to Overcome Barriers
<p><u>Knowledge Barrier.</u> Economic decisions are often short-sighted, with capital limitations taking precedence over long-term savings, even when accurate economic analysis would select the higher initial cost of higher-efficiency choices.</p>	<p><u>Education and training</u> This component will enhance the awareness of energy efficiency, which in turn will remove some of the caused by lack of information or erroneous economic analysis. Utilize SCE's Customer Technology Application Center (CTAC) for educating customers about the benefits of demand side management.</p>
<p><u>Technology Advancement:</u> The importance of energy efficiency within the state and the world is encouraging rapid development of newer technologies. However, it is virtually impossible for either key decision-makers (such as county supervisors or university boards) or their technical staff (such as facilities directors and their staffs) to stay current with the rapidly evolving market. Even when they learn about the new technologies, it is very difficult to ascertain the true energy efficiency value of the new technologies and to distinguish scientific research from sales hyperbole.</p>	<p><u>Emerging Technologies:</u> The utilities, their research organizations, and their connection with the various state research organizations are vital links to the partners.</p> <p>New technology will be a very useful component of the education and training element of the partnerships. The partnerships will be able to provide information to the managerial and technical personnel of the institutional customers to help them determine which technologies are worthy of consideration in either new construction or retrofits.</p>
<p><u>Dissemination of Utility Programs:</u> may be confusing and perceived as cumbersome to facilities personnel, and energy management staff. Utilities offer many resources and energy programs, but they may seem too difficult to navigate.</p>	<p><u>Integration:</u> allows the partnership management team to be the single source of contact that enables institutional customers to take advantage of all energy programs offered by the IOUs. This integration will break down many customer barriers to participation in multiple programs. Future strategic plans are being developed to include new construction, emerging technologies, education and training, demand response, California Solar Initiative (CSI), self-generation, on-bill financing, and other utility programs within the scope of partnership activities.</p>
<p><u>Staffing:</u> Many institutional and government customers do not have the time or resources to methodically evaluate their buildings and identify the most salient energy efficiency projects. These customers desire additional technical assistance.</p>	<p><u>Professional assistance:</u> The partnership team is able to prepare comprehensive lists of projects, evaluate their energy savings potential, and bring them to the team for review. The customer can then use this information to accelerate the timing of some projects, modify the scope of others, and rely on strategic energy planning, rather than simple maintenance schedules, for energy efficiency enhancements.</p>
<p><u>Establishing New Partnerships</u> - Three year funding, once approved, would not allow for innovation and the establishment new partnerships.</p>	<p><u>New Partnership Program Startups:</u> As the awareness and success of the institutional partnerships grow, more government agencies may wish to form partnerships. We propose reserving an extra budget to accommodate these partnerships as they develop during the course of the three-year program cycle.</p>

Primary Barriers	Strategies to Overcome Barriers
<u>Coordination of Utility Programs:</u> Customers have traditionally had to communicate with multiple utility departments with competing IOU offerings in order to take advantage of demand side management products and services. This is time consuming and challenging for the customer.	<p><u>Single Point of Contact:</u> The partner customer would like a single point contact for energy programs that can help them make the most logical, effective energy decisions, and not have to sort out competing IOU offerings.</p> <p>The partnerships have taken a proactive approach to coordinating program communication. One strategy is to assemble a collective package of energy offerings that incorporates partnership and external resources. The partnership teams are committed to using the most appropriate programs and will make sure that the right people for each IOU program are brought in at the right time for their implementation and assist in avoiding lost opportunities.</p>

#### d) Quantitative Program Objectives

Each partnership sub-program will provide individual unique targets and estimated quantitative information on number of projects, companies, non-incentive customer services and/or incentives that program aims to deliver and/or complete in 2009-11 timeframe. References will be provided where available. This table represents some examples of these targets.

**Table 5: Program Targets**

Program Name	Program Target by 2009	Program Target by 2010	Program Target by 2011
<b>Institutional and Government Facilities</b>			
Energy Savings	kWh/kW TBD	kWh/kW TBD	kWh/kW TBD
EE/DR Audits	Ensure 100% of all audits are coordinated EE/DR efforts, if applicable.	Ensure 100% of all audits are coordinated EE/DR efforts, if applicable.	Ensure 100% of all audits are coordinated EE/DR efforts, if applicable.
Lighting and HVAC Retrofits	Identify potential for Retrofits.	Identify potential for Retrofits.	Identify potential for Retrofits.
RCx and MBCx	Benchmark facilities to determine potential.	Benchmark facilities to determine potential.	Benchmark facilities to determine potential.
New Construction	Communicate Integration Strategy between internal departments and offerings and incentive structure.	Develop project agreement plan to ensure penetration of all existing and future potential projects.	Complete projects establish future pipeline.
<b>Strategic Plan Support</b>			
See Tables in Section 5e			
<b>Core Program Integration</b>			

Education and Outreach	Number of Partner Presentations TBD	Number of Partner Presentations TBD	Number of Partner Presentations TBD
Financial Solutions: On-Bill Financing	Development documentation package and project agreement for partners.	Determine which partners will use On-Bill Financing, establish a model for how On-Bill Financing can be used with Institutional and Government customers.	Complete documentation of participation rates for partnerships and determine any lessons learned or roadblocks.
California Solar Initiative	Establish communication plan for ensuring partners have been educated regarding solar potential	Develop project agreement plan and determine necessary stakeholders.	Complete documentation of participation potential and what is necessary for partners to participate

**e) Advancing Strategic Plan goals and objectives**

Institutional and Government partnerships are a natural fit with the goals, objectives, and strategies articulated in the California Long Term Energy Efficiency Strategic Plan (Strategic Plan). The partnerships have demonstrated that three objectives —Innovation, Integration, and Collaboration—are indeed the key to achieving the next generation of cost-effective, energy efficiency programs and the resulting reduction in greenhouse gas (GHG) emissions by applying both Commercial and Local Government sector strategies to the Statewide IOU partnerships as follows:

**Figure 10: Institutional and Government Partnership Program Advancement of Strategic Plan Goals and Objectives**

<b>Commercial Sector – Section 2</b>	
2-1: Lead by Example: State/local governments and major corporations commit to achieve energy efficiency, EE, (or green) targets in existing buildings.	Where the budget allows, customer owned buildings are benchmarked and retro-commissioned.
2-5: Develop tools and strategies to use information and behavioral strategies, commissioning, and training to reduce energy consumption in commercial buildings	Implement monitor based commissioning and provide training for energy managers to continuously monitor and optimize building operational performance.
2-6: Develop effective financial tools for EE improvement to existing buildings.	Develop financial solutions that are compatible with the state legal requirements. Exploring avenues that may work around lease terms to address perceived tenant/owner “split incentives” issue.
2-8: Improve utilization of plug load technologies within the commercial sector.	Leverage PC network software and vending machine controls to reduce commercial building plug loads.
<b>Commercial Sector – Section 3</b>	
3-1: Drive continual advances in lighting technology through research programs and design competitions.	Work with PIER to pilot lighting products on state-owned facilities where available.



3-2: Create demand for improved lighting products through demonstration projects, marketing efforts, and utility programs.	Piloting emerging technologies in lighting collaboration with building owners.
<b>DSM Integration and Coordination - Section 8</b>	
1-1: Carry out integrated marketing of DSM opportunities across all customer classes.	Integrate demand-side management programs (Distributed Generation, California Solar Initiative and Demand Response) in order to limit lost opportunities.

**Figure 11: Local Government Partnership Program Advancement of Strategic Plan Goals and Objectives**

<b>Local Government Sector – Sections 1, 2, 3 and 4</b>	
1-1: Develop, adopt and implement model building energy codes (and/or other green codes) more stringent than Title 24's requirements, on both a mandatory and voluntary basis; adopt one or two additional tiers of increasing stringency.	To the extent possible, the partnership will work with policy makers to implement building or new construction goals that exceed Title 24 requirements by a percentage determined by the customer (for example, all new construction will be more than X% above T24).
1-2: Establish expedited permitting and entitlement approval processes, fee structures and other incentives for green buildings and other above-code developments.	Partnership will support training activities to facilitate the adoption and persistence of enhanced code compliance practices.
1-3: Develop, adopt and implement model point-of-sale and other point-of transactions relying on building ratings.	Partnership is supportive of the partners' role in any permitting or expedited approval policy for green building.
1-4: Create assessment districts or other mechanisms so property owners can fund EE through city bonds and pay off on property taxes; develop other EE financing tools.	Partnership team can assist with technical support and training to facilitate the process.
1-5: Develop broad education program and peer-to-peer support to local governments to adopt and implement model reach codes	Develop information campaign and training opportunities on mechanics and benefits of model programs targeting decision-makers and Boards of Supervisors.
1-6: Link emission reductions from "reach" codes and programs to CARB's AB 32 program	N/A
1-7: Develop energy efficiency related "carrots" and "sticks" using local zoning and development authority.	To the extent possible, the partnership will provide training to increase adoption of policy once it is developed.

2-2: Dramatically improve compliance with and enforcement of Title 24 building code, and of HVAC permitting and inspection requirements (including focus on peak load reductions in inland areas).	N/A
2-3: Local inspectors and contractors hired by local governments shall meet the requirements of the energy component of their professional licensing (as such energy components are adopted).	N/A
3-1: Adopt specific goals for efficiency of local government buildings, including:	Align with local policies for LEED new construction and existing buildings and implement energy efficiency technologies to exceed these goals.
3-2: Require commissioning for new buildings, and re-commissioning and retro-commissioning of existing buildings.	Support benchmark existing buildings against ratings such as Energy Star and its Portfolio Manager and continue commissioning programs on selected high-use buildings.
3-4: Explore creation of line item in local government budgets or other options that allow EE cost savings to be returned to the department and/or projects that provided the savings to fund additional efficiency.	Work with county partners to explore and document model policies and mechanisms by June 2010.
3-5: Develop innovation Incubator that competitively selects initiatives for inclusion in LG pilot projects.	Coordinate this approach with Research & Technology activities: • Develop and begin first projects by 12/2010.
4-1: Local governments commit to clean energy/climate change leadership.	Assist initial set of local governments in commitments; develop and communicate appropriate messages.
4-2: Use local governments' general energy plan and other elements to promote energy efficiency, sustainability, and climate change.	Develop model General Plan templates Leaders among local governments adopt policies in General Plan elements.  Publicize to other local governments
4-4: Develop local projects that integrate EE/DSM/water/wastewater end use.	Identify opportunities and challenges for more energy/environmentally integrated development and infrastructure  Develop and implement pilot projects, such as the California Sustainable Communities initiative.

4-5: Develop EE-related "carrots" and "sticks" using local zoning and development authority*	To the extent possible, the partnership will provide training to increase adoption of policy once it is developed.
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\* In the September 2008 version (final) of the Strategic Plan, this strategy has been classified as a "Reach" Code goal: Number 1-7.

## 6. Program Implementation

The partnership model is intended to build the capacities (resources) and capabilities (skills) unique to the institution. Partners would then have the resources and skills for delivering energy services within their facilities and raising awareness among the various departments (facility management, planning & design, maintenance and staff departments, etc) about these various facilities.

### a) Statewide IOU Coordination

#### i. Program Name

Institutional and Government partnerships coordinate locally and Statewide with other California IOUs (PG&E, SCG, SDG&E).

#### ii. Program delivery mechanisms

Program delivery mechanisms will build upon the implementation strategies from the previous successful delivery of immediate and long-term energy savings results. The implementation plan for this cycle will be refined to account for progress already made and will include:

- Coordination with other energy efficiency programs and ongoing Statewide and local government partnerships;
- Energy efficiency retrofits program element implementation (including project selection and implementation);
- Monitoring-based commissioning (MBCx) and MBCx Express implementation;
- Energy efficiency education and best practices development and training implementation; and
- Integration with portfolio of products & services (e.g. California Solar Initiative, Savings By Design, new construction and Demand Response activities) into a partnership that enables easier customer access and streamlined IOU management of programs.

#### iii. Incentive Levels

A more detailed description can be found above in Section 4.b. List Measures - Technologies and corresponding incentive levels.

Project Type	Incentive Amount
Lighting projects	\$0.15 to \$0.24/kWh
Motors/VFDs/Compressors/Others	\$0.18 to \$0.24/kWh
HVAC projects with kWh savings	\$0.24/kWh
New construction projects	\$0.10 above core SBD rates.

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**iv. Marketing and outreach plans, e.g. research, target audience, collateral, delivery mechanisms.**

The Institutional and Government partnership structure builds on previously successful outreach and communication networks between the partner and its various agencies. This “buy-in” from the top opens up communications channels to the whole system.

Combined with the existing management structure from the 2006-2008 programs, this will facilitate outreach activities through pre-established channels for 2009 – 2011. Due to support from the top of the organization, partnership programs will be very visible and provide opportunities to leverage existing conferences and meetings to raise awareness for the program among internal departments.

**v. IOU program interaction with CEC, ARB, Air Quality Management Districts, local government programs and other government programs, as applicable**

The IOUs are continuously monitoring their respective government partners to leverage best practices and new/innovative programs.

**vi. Similar IOU and POU Programs**

**The four IOUs strive to have consistency in their respective program offerings, and where practical, to make the transactional experience for the state agencies seamless and transparent. Where applicable, a program consultant will assist in day-to-day coordination and communication among the Statewide partners as follows:**

- Provide staffing to the management team and program specific subcommittees and implementation teams;
- Coordinate, schedule, and document results and action items from program team meetings;
- Prepare and conduct formal presentations and participate in conferences as required by the management team;
- Develop and maintain a project tracking and reporting database system;
- Assist the IOUs and partners in partnership reporting;
- Assist in the development of workshop agendas and materials, identification of experts, facilitation of workshops and training sessions, and preparation of minutes for the Training and Education component;
- Miscellaneous professional and technical assistance as requested by the IOUs.

**b) Program delivery and coordination**

**i. Emerging Technologies program**

IGPP partners have expressed significant interest in serving as beta test sites for new technologies. Through the partnerships, the utilities will be able to work hand-in-hand with the Energy Commission researchers and the institutional and government partners to develop pilot projects to demonstrate the technologies. These partnerships may well become key avenues by which new products or technologies can be installed, tested, and evaluated. During the 2006-08 program cycle IGPP partners have engaged IOU Emerging Technologies programs about deployment of technologies such as Light Emitting Diode (LED) street lights and have developed plans to install pilot projects.

**ii. Codes and Standards program**

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The Codes and Standards Program recognizes IGPP as a high priority in the selection of test sites and also links with CEC's PIER program. Codes and Standards and the WE&T Synergies Program will support local governments' Title 24 enforcement activities with energy code training for plan checkers, inspectors, and the trades.

**iii. WE&T efforts**

Workforce Education & Training Strategies, SCE's 2009 – 2011 WE&T program includes three important core delivery components: WE&T Strategic Planning & Implementation, WE&T Synergies, and WE&T EARTH Education and Training. Each component is designed to target specific market segments, and accomplish the larger education and training Strategic Plan goals and objectives.

In aggregate they will target key workforce (and potential workforce) areas including: community colleges and adult education, K-12 students, technicians and contractors, Green Campuses, and minority, low-income, and disadvantaged communities.

**iv. Program-specific marketing and outreach efforts (provide budget)**

Will be provided in each Institutional and Government sub-program PIP.

**v. Non-energy activities of program**

Training and Education Program Element, if applicable, will be detailed in each sub-program PIP.

**vi. Non-IOU Programs coordination**

To address third-party coordination, the management team will discuss all offerings and ensure communication of third-party programs. If there are third-party programs that have unique features currently not offered by the partnerships, the third party program may be utilized to augment the services and these activities will be communicated through the partnership team.

**vii. CEC work on PIER**

Some of the partnerships have worked with the PIER program, which has resulted in the installation of several pilot projects in 2007. These innovative projects included an integrated classroom lighting system (ICLS), bi-level stairway lighting, and demand-controlled ventilation systems for kitchen exhaust hoods. Applicable PIER program coordination will be stated in sub-programs.

**viii. CEC work on codes and standards**

Will be detailed, if applicable, in each Institutional and Government sub-program PIP.

**ix. Non-utility market initiatives**

Will be provided in each Institutional and Government sub-program PIP.

**c) Best Practices**

Institutional and Government partnerships have provided documentation that is valuable and provides lessons learned for a variety of institutional and government customers. Some of these best practices are noted in Figure 12 below:

**Figure 12: Institutional and Government Best Practices**

<b>Type of Best Practice</b>	<b>Best Practice</b>	<b>Institutional Application(s)</b>
Goals & Objectives	Develop and use clearly articulated objectives that are internally consistent, actionable and measurable.	Share clearly defined and obtainable goals that are developed with partner input. Track goals through bi-weekly management team meetings to ensure they are achieved.
	Develop tools to track the portfolio's performance on a continuous basis and report progress.	The detailed program plan is a living document that will facilitate continuous tracking and reporting.
Planning	Design programs within the portfolio based on sound program plans; where appropriate, utilize clearly but concisely articulated program theories.	The plan & program structure are based on sound program plans & theories.
	Conduct baseline research	Baseline research was conducted of each partnership and the individual participating cities & counties.
	Build feedback loops into program design and logic	The detailed program plan provides a mechanism for closely monitoring progress and making adjustments as may be needed to meet the partnership goals and objectives.
	Maintain the flexibility to rebalance portfolio initiatives, as needed, to achieve the portfolio's goals and objectives.	
Staffing	Select highly qualified in-house staff &/or outside contractors to manage, design, implement and evaluate programs.	SCE Project Managers have been assigned to each partnership to assure continuous open communications and implementation success. The roles and responsibilities of SCE and the various partners and participants are clearly defined in the detailed program plan. SCE's resources will be supplemented with pre-qualified technical support contractors selected by SCE through competitive solicitations to cost-effectively provide the portfolio of technical assistance needed to support its partners.
	Clearly define portfolio implementation responsibilities and clarify roles to minimize confusion.	

<b>Type of Best Practice</b>	<b>Best Practice</b>	<b>Institutional Application(s)</b>
Integration	Leverage relationships from complementary organizations such as utilities, trade allies, and industry specialists.	Structured to leverage all resources, assets and relationships of SCE, its partners, and their participants, constituents, stakeholders, and other related individuals & organizations.
Reporting & Tracking	Clearly articulate the data requirements for measuring portfolio and program success.	The detailed program plan, coupled with frequent meetings between/among SCE, its partners and their members/ constituents is designed to track and report partnership progress and successes.
	Design tracking systems to support the requirements of all major users: program administrators, managers, contractors and evaluators.	

**d) Innovation**

Many partnerships have recognized that a well thought out sustainability policy and energy plan are keys to making good energy decisions.

The partnership teams have identified opportunities in their customers' buildings for energy efficiency innovation. While rare in large governments before the program began, partnerships embraced and instituted Monitoring Based Commissioning (MBCx) and Retro-Commissioning (RCx) as the result of the 2006-2008 programs. Still in the pilot project stages and with a built environment consisting of millions of square feet, the opportunities for energy savings through MBCx/RCx are enormous and are a major focus of the 2009 – 2011 partnership program.

**e) Integrated/coordinated Demand Side Management**

To address Integrated Demand Side Management, IOU energy efficiency and demand response program staff will collaborate with partners to conduct comprehensive audits and identify energy efficiency measures and demand response opportunities. The approach will reduce technical resources by combining EE/DR audits to avoid duplication and to collaborate on incentive offerings which will all minimize customer interruptions.

The partners will identify facilities or an aggregation of facilities under a service account in order to establish opportunities for demand response participation that will meet the program eligibility of a 30kW minimum DR opportunity per service account.

The partnership will also assist, where applicable, facility management staff that are interested in solar technology and will provide recommendations in facility operations through energy audits to improve its facilities with less costly EE/DR measures before





implementing more costly solar technologies. In addition, partnerships will coordinate with the new proposed Statewide IDSM Task Force (see IDSM PIP).

**f) Integration across resource types (energy, water, air quality, etc.)**

Provided in each Institutional and Government sub-program PIP.

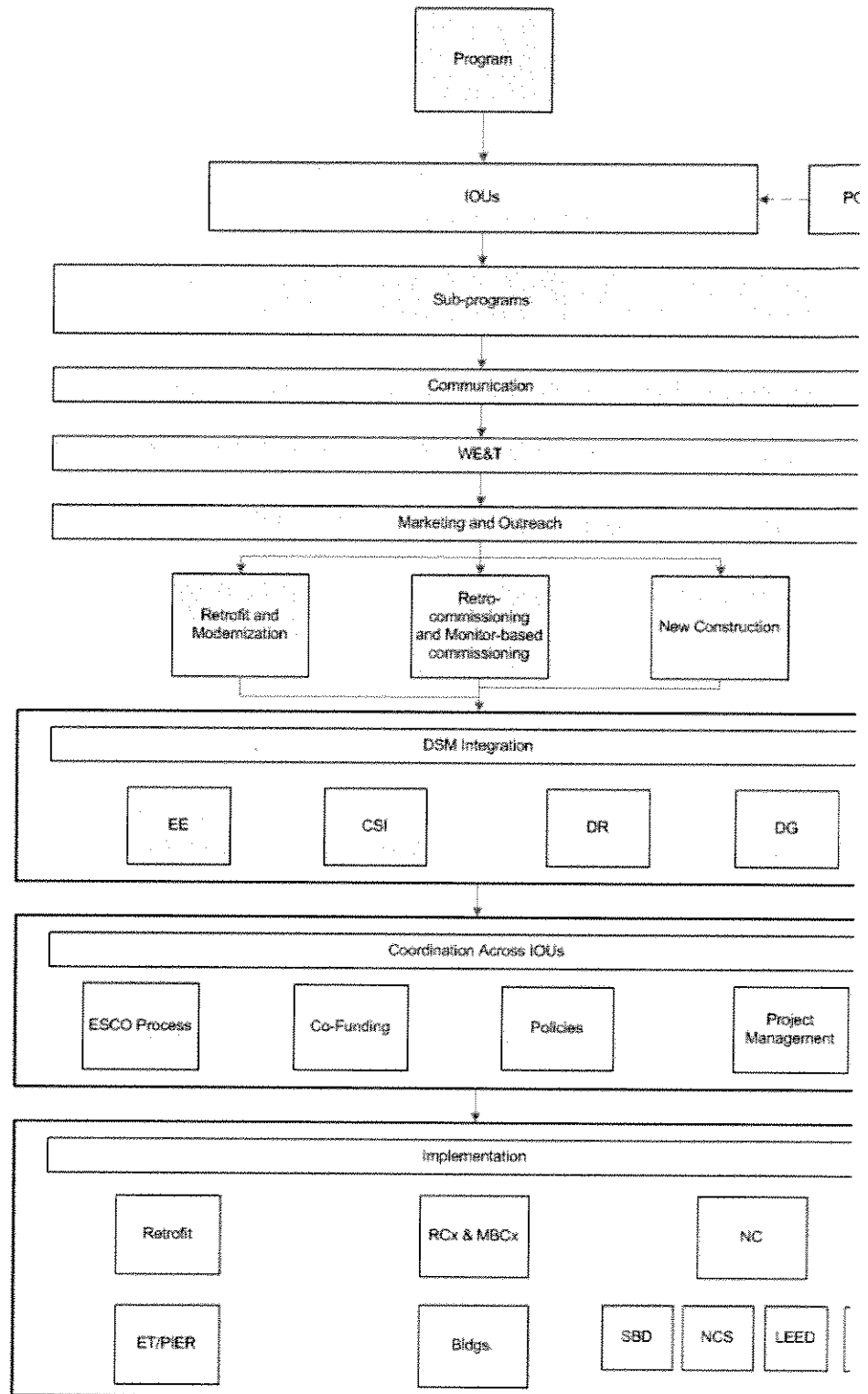
**g) Pilots**

Is provided (if applicable) in each Institutional and Government sub-program PIP.

**e) EM&V**

The utilities are proposing to work with the Energy Division to develop and submit a comprehensive EM&V Plan for 2009 – 2011 after the program implementation plans are filed. This will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

## 7. Diagram of Program



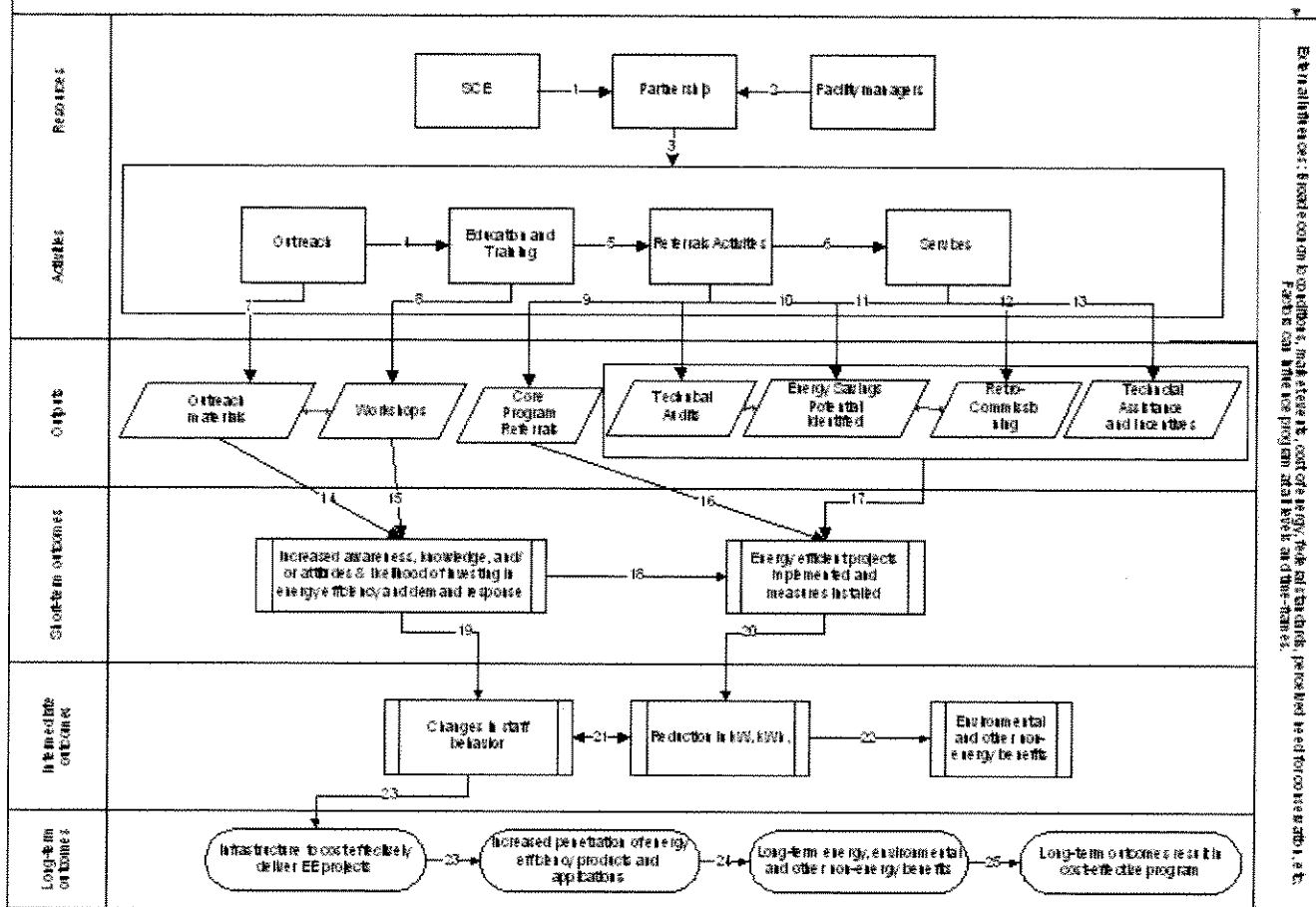
## 8. Program Logic Model(s)

### Institutional and Government

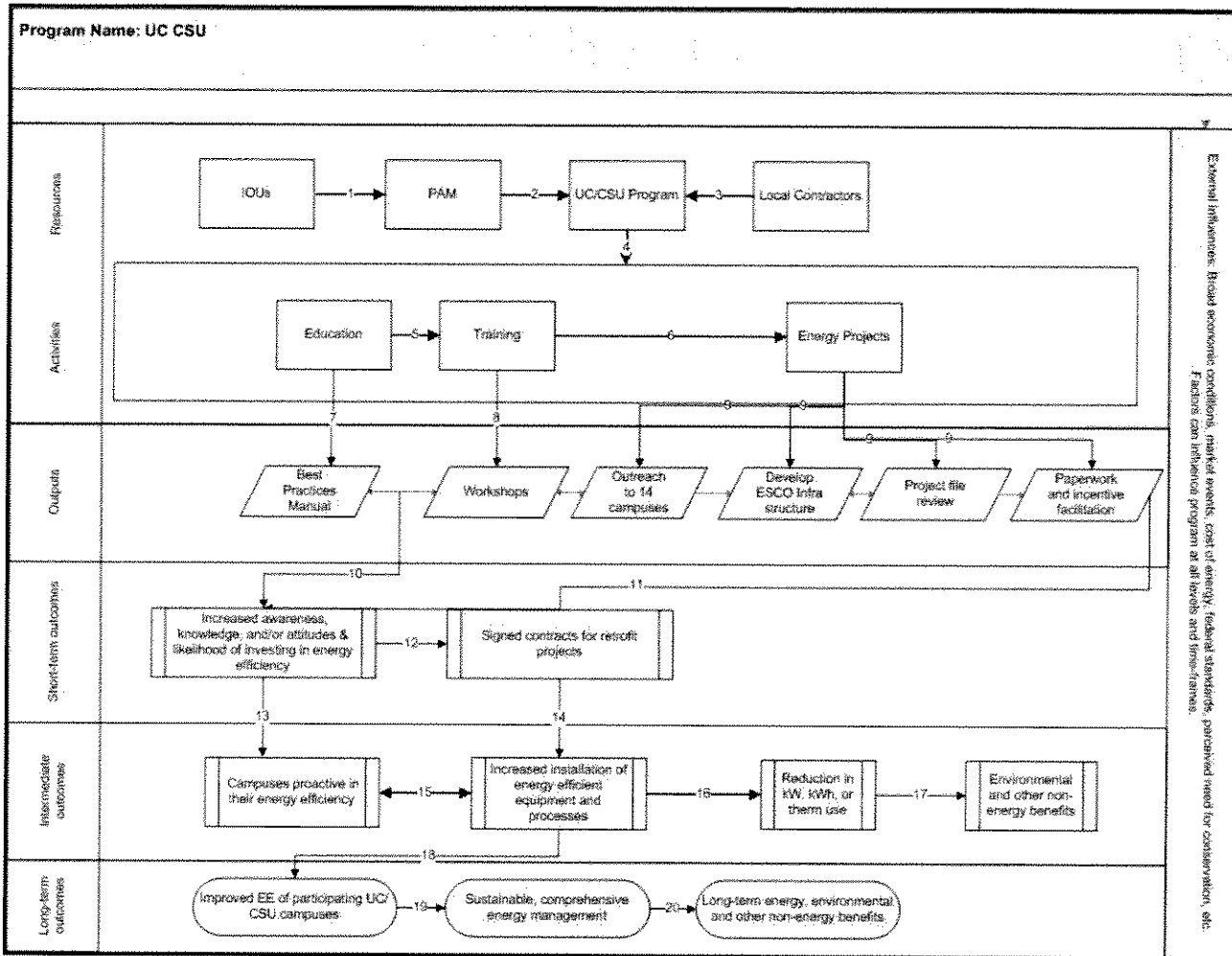
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PARTNERSHIP PROGRAM**

IGREEN(Institutional and Governmental Resource for Energy Efficiency Now ) Program



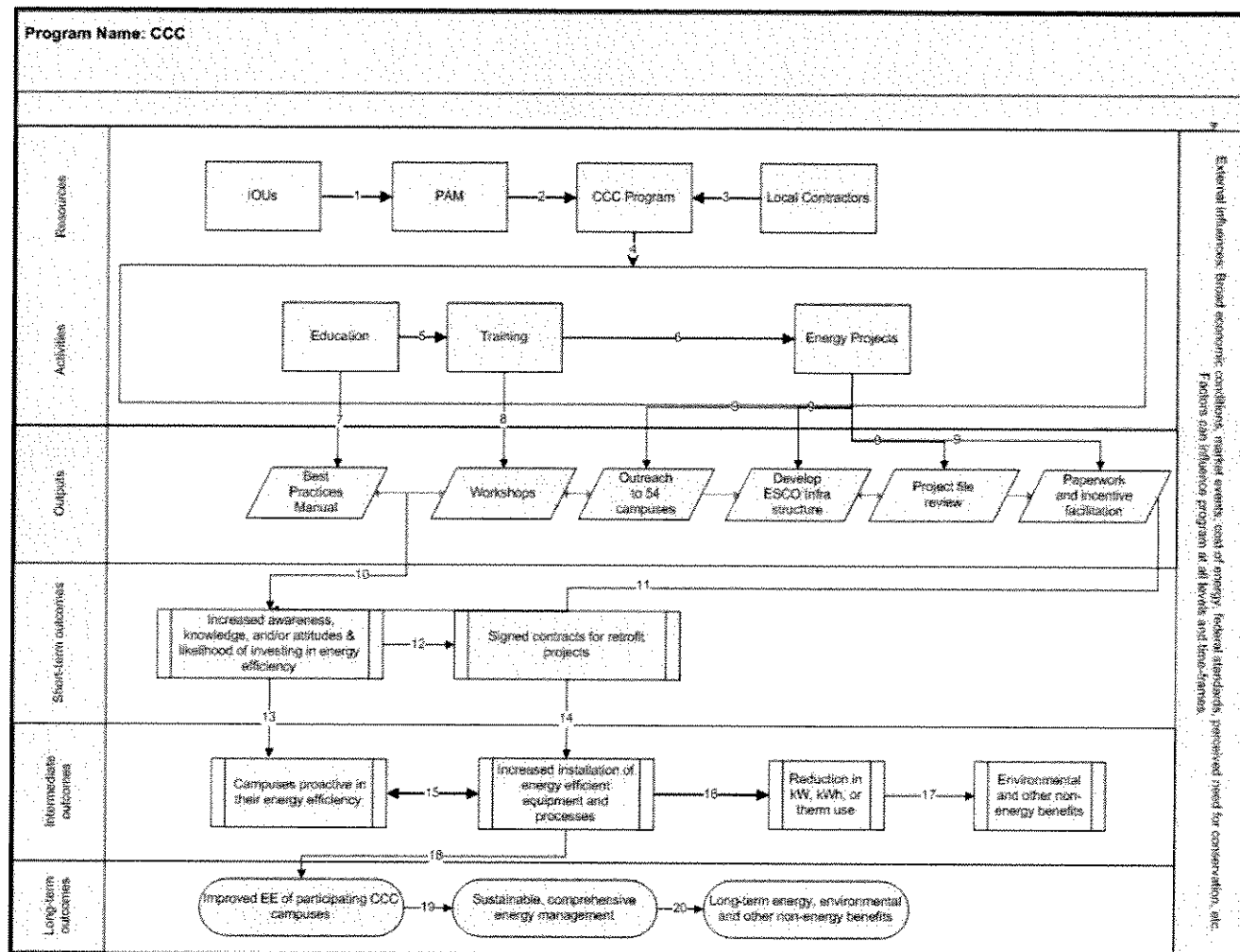
# UC/CSU



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**AGREEMENT TO JOINTLY DELIVER THE 2010-2012 LA COUNTY/IOU ENERGY EFFICIENCY PARTNERSHIP PROGRAM**

# California Community College

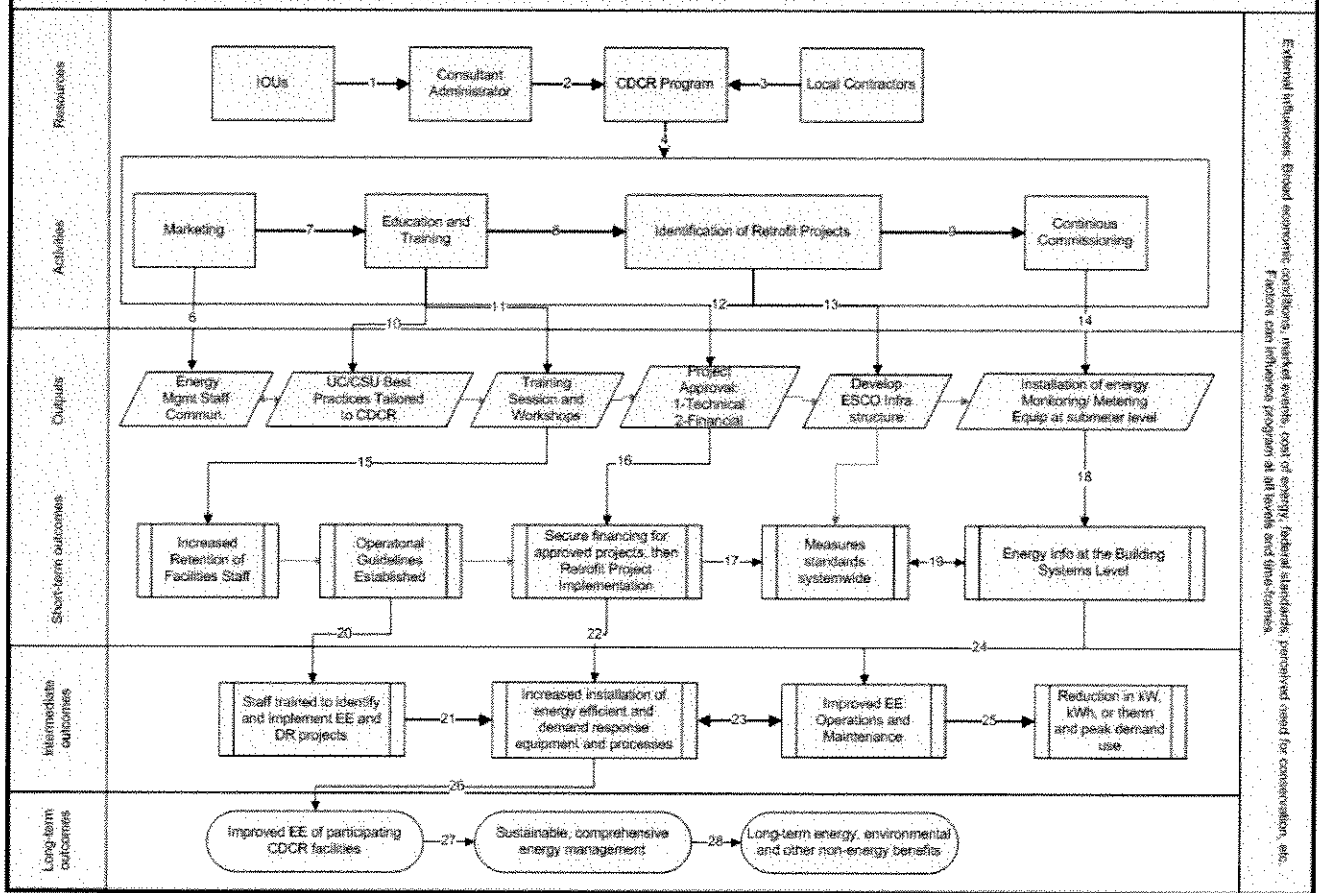


California Department of Corrections and Rehabilitation

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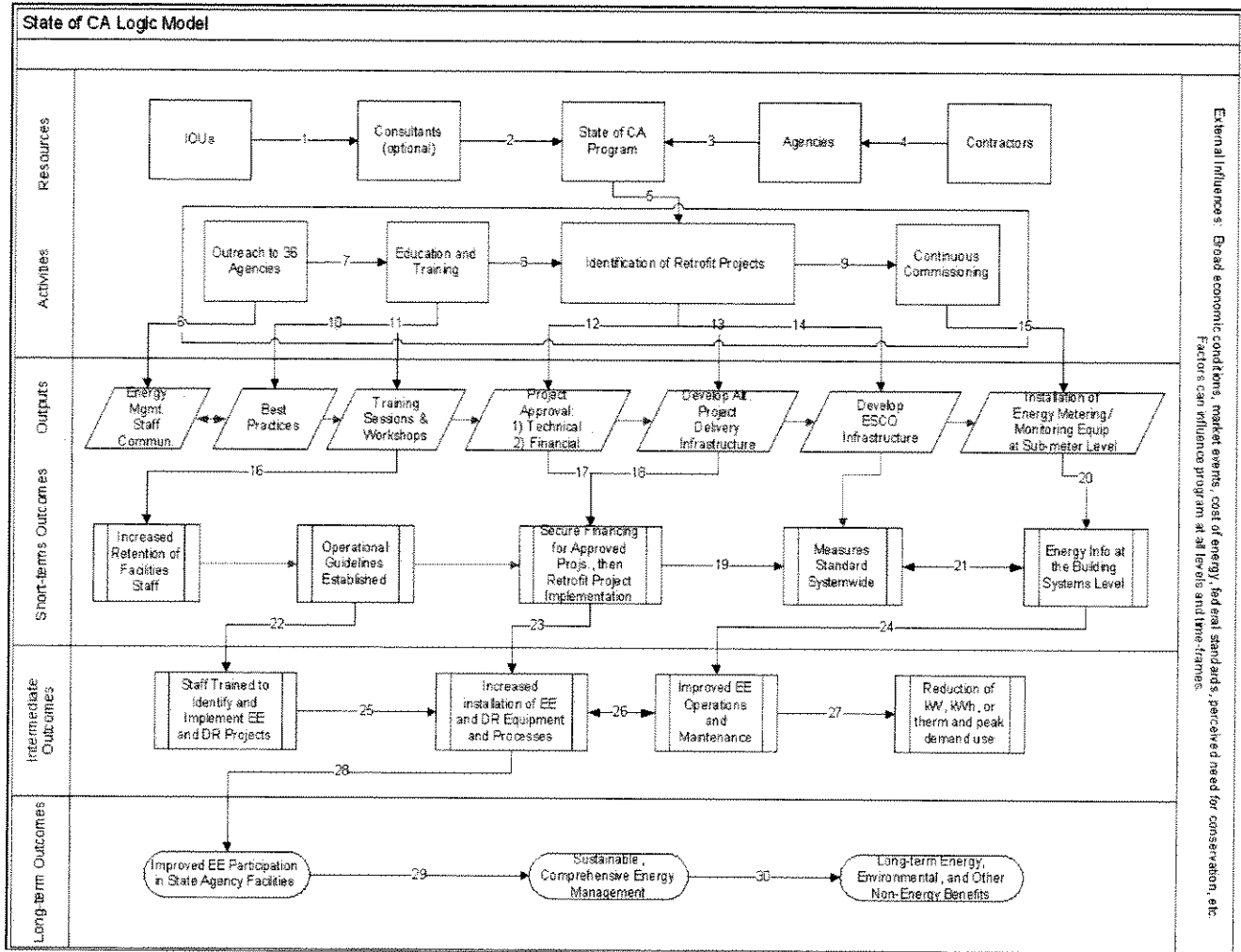
Program Name: CDCR



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# State of CA

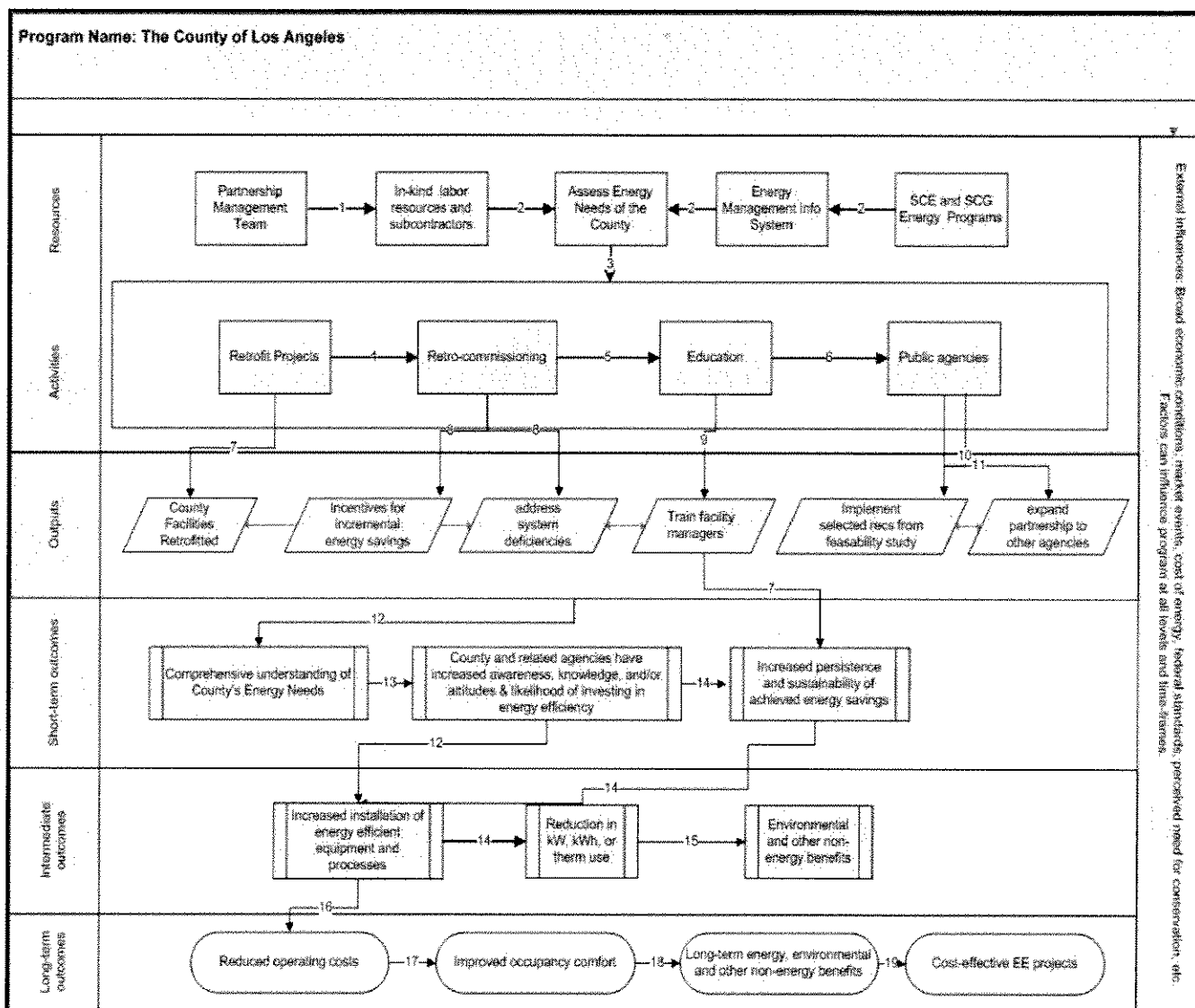


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**AGREEMENT TO JOINTLY DELIVER THE 2010-2012 LA COUNTY/IOU ENERGY EFFICIENCY PARTNERSHIP PROGRAM**

# County of Los Angeles

Program Name: The County of Los Angeles



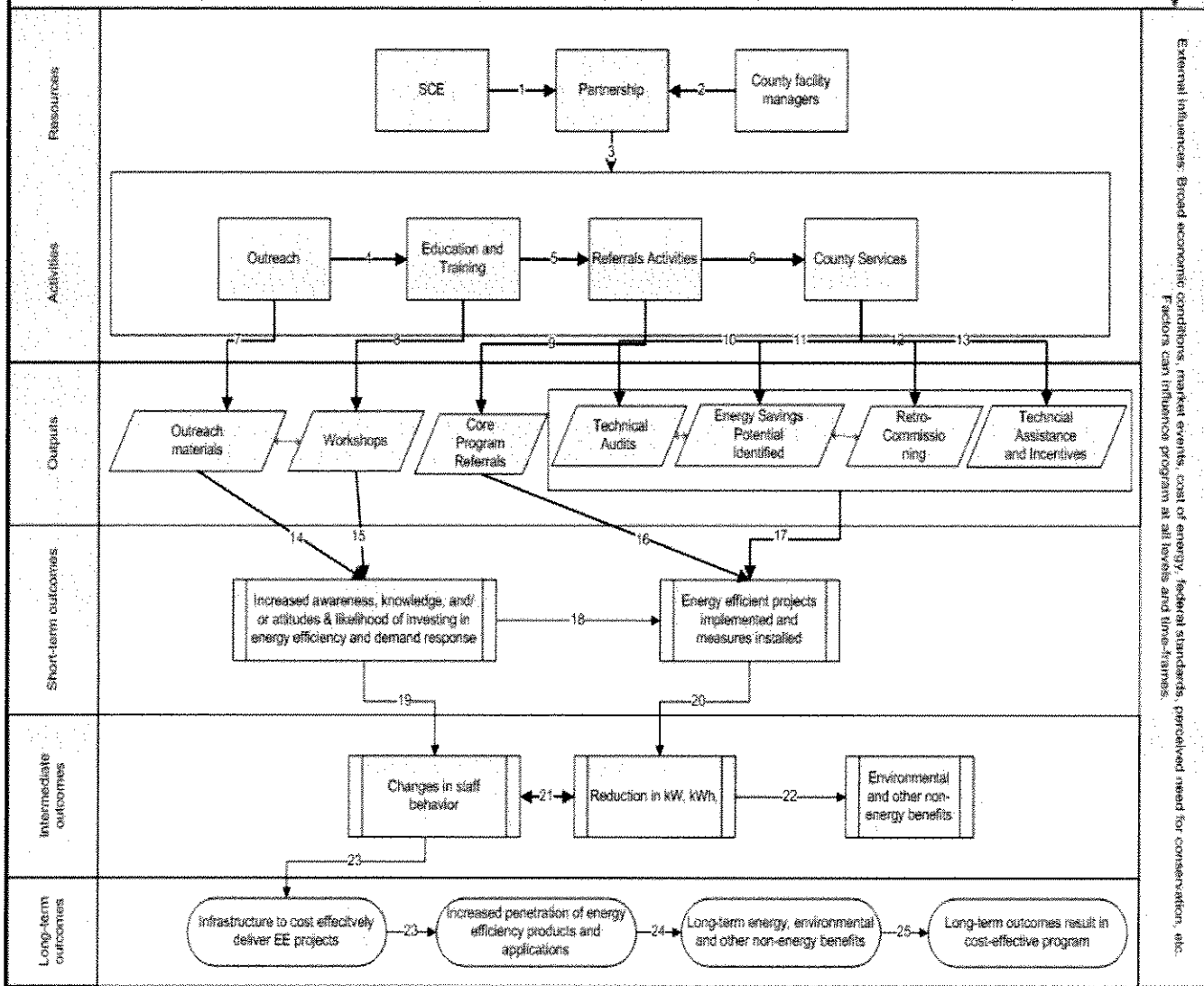
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AGREEMENT TO JOINTLY DELIVER THE 2010-2012 LA COUNTY/IOU ENERGY EFFICIENCY PARTNERSHIP PROGRAM



# County of Riverside

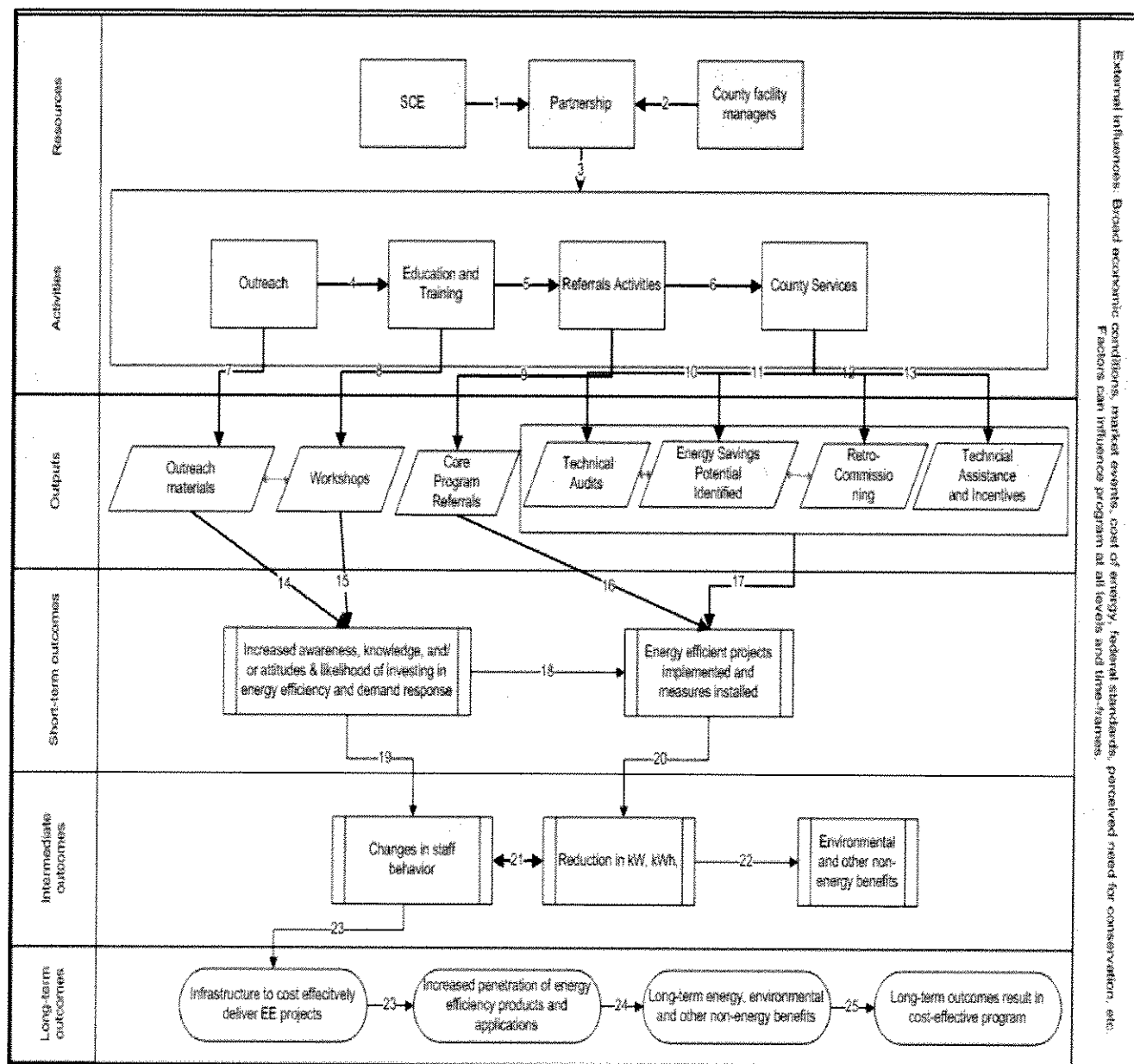
Program Name: County of Riverside



HOA.669612.184

AGREEMENT TO JOINTLY DELIVER THE 2010-2012 LA COUNTY/IOU ENERGY EFFICIENCY PARTNERSHIP PROGRAM

# County of San Bernardino



**1. Program Name:** County of Los Angeles Energy Efficiency Partnership

**2. Projected Program Budget Table**

**Table 1** – Refer to Table 1 in the I&G Core PIP.

**3. Projected Program Gross Impacts Table**

**Table 2** – Refer to Table 2 in the I&G Core PIP.

**4. Program Element Description and Implementation Plan**

The 2009 - 2011 County of Los Angeles Energy Efficiency Partnership is a continuation of the existing, successful 2004 - 2005 and 2006 - 2008 programs with SCE and Southern California Gas (SCG). The 2009 - 2011 Partnership will build on the lessons learned and will continue to focus on identifying energy efficiency activities in county facilities in support of the recently adopted county of Los Angeles Energy and Environmental Plan.

The partnership program will support the energy efficiency components of the Energy and Environmental Plan initiatives by identifying projects and strategies to reach the 38 different county departments that the Internal Services Department (ISD) serves. In addition, there are departments and public agencies affiliated with the county (Public Housing, Sanitation Districts, School Districts County Metro Transit Authority, and Waterworks and Wastewater utilities) that have previously not participated in past partnership programs. By tailoring outreach and implementing innovative ways to participate (emerging technologies, integration with state-wide pilots, e.g. water districts, and flexible funding) the partnership will increase energy efficiency participation in these LA County departments.

**a) List of program elements**

1. Retrofit (HVAC, lighting, Emerging Technology, others);
2. Retro-Commissioning and Monitoring-Based Commissioning;
3. Energy Efficiency Education and Best Practices Development and Training;
4. New Construction and Design Assistance (SBD);
5. Emerging Technologies;
6. Integration with Demand Response and other DSM Services;
7. Funding Sources (for example, on-bill financing and grants);
8. Coordination with other IOU Program Offerings (*for example*, core programs, solar, water renewable-portfolio, and others); and
9. Policy Assistance: Energy Policy.

## **b) Overview**

### **Retrofit Program**

The Retrofit projects in this program will be implemented by the County of Los Angeles through contracts with contractors and engineering consultants. The partnership has identified potential projects from facility assessments and has a data set of projects that served as a basis for implementation. This data set provides valuable planning information to determine incentive levels, incentive payment structure, budget forecasts, and to establish the implementation strategies and schedules.

### **Retro-Commissioning (RCx) / Monitoring-Based Commissioning (MBCx)**

This element of the program is a continuation of a unique approach to obtaining savings that combines the expertise of county staff, utility and subcontractor expertise, and the use of the County's Enterprise Energy Management Information System (EEMIS). Through these resources, a systematic, comprehensive RCx program will be implemented in existing facilities. It will provide a cost effective approach to achieving optimized operating facilities, save both electric and gas energy, reduce operating cost and improve occupant comfort.

### **Energy Efficiency Education and Best Practices Development and Training**

The partnership will facilitate education and training for facility and maintenance personnel. The education and training element will support the outreach and education initiatives as articulated in the County's Energy and Environmental Policy. There will be a venue for those individuals responsible for managing energy to share information and experiences related to facility operations, to gain knowledge of industry best practices in energy efficiency management, and successful project implementation, among other issues. The strategy for the education and training element is to leverage the resources of IOU technology centers and develop curriculum that will address the specific needs of the partner. Lastly, the partnership will seek opportunities to improve project coordination and communication to strengthen the relationships among the partnership team, LA County departments and ISD.

### **New Construction and New Construction Design Assistance**

As with retrofits, the county has a stated desire to implement more efficient and sustainable measures in new construction projects. In practice, however, budgetary constraints often prevent this. Financial incentives, together with upper-level management commitment increase the ability of the county's energy managers to see that these goals are actually met. The partnership will work closely with design teams of future projects, both large and small, to implement energy efficiency, load management, and renewable energy to the maximum extent feasible.

### **Emerging Technologies**

The partnership may also pursue opportunities to facilitate the installation of emerging technologies. Where applicable the partnership will provide incentives and technical aid for installing emerging technologies in County facilities to influence the technology being adopted into market.

### **Integration with Demand Response and other DSM services**

Demand response programs provide tariff-based benefits to customers implementing demand response activities. For demand response initiatives involving the purchase and installation

of equipment by SCE business customers, a plan to provide a financial incentive for the energy savings resulting from the equipment through the Partnership program will be developed.

The Partnership will look for opportunities to integrate demand response and other DSM services into the program implementation plan. Resources will be leveraged to improve implementation efficiency and reduce transactional impacts on partnership staff. IOU energy efficiency and demand response (EE/DR) program staff will collaborate with partners to conduct comprehensive audits and identify energy efficiency measures as well as demand response opportunities. The approach will reduce technical resources by combining EE/DR audits to avoid duplication, collaborate on incentive offerings and will minimize customer interruptions.

The partners seek to identify facilities or aggregation of facilities under a service account to establish opportunities for DR participation that will meet the SCE program eligibility of a 30 kW minimum demand response opportunity per service account.

The partnership will also assist, where applicable, facility management staff that are interested in solar technology and will provide recommendations in facility operations through energy audits to improve its facilities with less costly EE/DR measures prior to implementing more costly solar technologies.

### **Funding Source**

The utilities will work with the County of Los Angeles ISD staff to allocate appropriate partnership incentives for qualified projects and collaborate with all applicable DSM programs to ensure agencies can include incentive information in the life cycle cost analysis to support the financing request, where applicable. The County is currently pursuing on-bill financing efforts, with their County Council, and if able to participate in this option, will work collaboratively with the Partnership to identify applicable projects. In addition, any grants or other State funding for which the County may be eligible will be pursued, and the Partnership will assist with alternate funding sources.

### **Coordination with other IOU Programs**

The partnership will be utilized as a “portal” to other IOU energy programs such as the California Solar Initiative, Self-Generation Incentive Program, and Demand Response, as well as related agricultural, water efficiency, green building programs, and others as appropriate. These other IOU departments/programs will be engaged in and active in the process of identifying opportunities and working with the partnership team to ensure an integrated and smooth process.

### **Policy Assistance: Energy Policy**

The partnership will support energy reduction and environmental initiatives described in the Los Angeles County Energy and Environmental Plan, adopted by the County in 2008. Support may include technical assistance, training, applicable incentives and emerging technology support. The partnership intends to utilize the IOU core programs, as applicable, as well as coming up with unique and innovative ways to support the County’s Energy and Environmental Plan through outreach, pro-active communication and regular Partnership activities.

**c) Non-incentive services**

Non-incentive services will include integrated audits not only for ISD operated buildings, but also for the 38 different county departments that Internal Services Department (ISD) serves, such as: Department of Public Works, Sheriff, Health Services, Public Housing, Sanitation Districts, School Districts under the Office of Education, the County Metro Transit Authority, and the county's Waterworks and Wastewater utilities. These audits will be identified through the Partnership and will include RCx, retro-fit, Demand Response opportunities, emerging technologies, solar or self generation programs as applicable.

In addition to the audits, other non-incentive services will include any training or education services provided by the IOUs to County staff, utilizing SCE's CTAC facility, and on-site training as appropriate.

**d) Target audience**

The Partnership will primarily target LA County owned and or operated buildings. The target audience will be wide sweeping internally to the County because of the joint efforts of the partnership to expand to other County departments under the leadership of Internal Services Department. Additionally the outreach and education will focus on building engineers, managers etc, to promote and maintain energy efficiency installations at all County facilities. County leadership (Department heads, County Council, Board of Supervisors, etc) will also be targeted through outreach efforts, to assist with County adoption of energy efficiency measures and promotion of the Partnership.

**e) Implementation**

The implementation plan for this program cycle will include the continuation of activities implemented in the 2006 - 2008 County of LA Partnership. The partnership will apply lessons learned from the current partnership as well as from other local and Statewide partnership programs.

SCE will retain the overall administration of the partnership program. The partnership will work together to establish funding guidelines for various projects, sharing technical expertise, and implementing projects. The partnership also will coordinate the use of ISD's own resources and total program resources to identify and develop projects, manage individual projects, and track costs and savings.

A new approach will be employed to contract for construction and engineering work. In the current program cycle, the County was able to establish a process to procure contractors to implement projects. This responsibility will shift from the utilities to the county to facilitate the implementation process. However, project decisions will continue to be made by the management team on a Partnership level though discussions at our regularly scheduled Partnership meetings.

The program will continue to be managed by the County of Los Angeles, SCE, and SCG.. The management team will set overall program policy and ensure that the program stays on plan throughout its life cycle, and will meet roughly every two weeks. Subcommittees or "teams" made up of members of the management team and other representatives will perform

the detailed work associated with the program elements, and make recommendations to the management team for action. This will potentially include retrofit, retro-commissioning, new construction, and training & education as well as coordinated activities with other demand-side management programs such as Demand Response (DR), California Solar Initiative (CSI), and emerging technologies (ET). The team will be providing a more coordinated and integrated approach and will increase the penetration of energy efficiency activities or savings and avoid lost opportunities.

## **5. Program Element Rationale and Expected Outcome**

### **a) Quantitative Baseline and Market Transformation Information**

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics are proposed at the highest program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

**Table 3** – Refer to the overarching program for quantitative baseline metrics

### **b) Market Transformation Information**

By its nature, market transformation occurs as a result of numerous factors and programs, not single sub-programs. Therefore, all metrics and goals are proposed at the highest program level. Please refer to the quantitative baseline and market transformation discussion, presented in the overall program PIP.

**Table 4** – Refer to the overarching program for market transformation metrics

### **c) Program Design to Overcome Barriers**

Funding from the County for projects has been, and may continue to be a barrier to participation. The partnership plans on overcoming these barriers by continuing the foundation made in the 2006-08 program which includes regular status/Partnership meetings, meeting with contractors and vendors, and project managers working on construction and RCx projects in the County. The partnership has been able to participate in County projects early in the planning stage, to ensure the most efficiency energy designs and equipment are implemented, and the construction costs are able to be offset by partnership incentives. The partnership may also provide flexibility in incentive structure and may reduce the actual measure incentive to cover additional engineering services and costs provided to the County through the partnership (e.g. pay additional engineering costs to ensure project is implemented, but this may affect the total incentives available for the project due to cost-effectiveness considerations). Up-front, or advanced incentive payment structure may also be employed in this cycle, providing the County with a percentage of the actual project incentive dollars in advance of the actual installation of equipment, so that the County can use the incentive dollars to procure equipment, or hire contractors to do the installation of approved measures. County budget was calculated for the 2009 – 2011 cycle to align with the limited number of buildings identified for Retro-Commissioning within the County (many facilities were completed RCx in the 2006-2008 program), and based upon retro-fit forecasts provided by the County.

c) Quantitative Program Targets

Table 5

<b>LA County Partnership: Government Facilities</b>			
<b>Program Name</b>	<b>Program Target by 2009</b>	<b>Program Target by 2010</b>	<b>Program Target by 2011</b>
<b>EE/DR Audits</b>	Ensure 100% of all audits are coordinated EE/DR efforts if applicable. Promote EE opportunities first, in order to correctly assess and implement DR reduction potential.	Ensure 100% of all audits are coordinated EE/DR efforts if applicable. Promote EE opportunities first, in order to correctly assess and implement DR reduction potential.	Ensure 100% of all audits are coordinated EE/DR efforts if applicable. Promote EE opportunities first, in order to correctly assess and implement DR reduction potential.
<b>Lighting and HVAC Retrofits</b>	Utilize partnership activities and completed audits to identify and implement retrofit measures. Lighting retrofits may account for 20% of all retrofit opportunities, and HVAC may account for 60% and the remaining 20% would be "other" (e.g. vending misers, software controls, etc). Retrofits energy savings are TBD.	Utilize partnership activities and completed audits to identify and implement retrofit measures. Lighting retrofits may account for 20% of all retrofit opportunities, and HVAC may account for 60% and the remaining 20% would be "other" (e.g. vending misers, software controls, etc). Retrofits energy savings are TBD.	Utilize partnership activities and completed audits to identify and implement retrofit measures. Lighting retrofits may account for 20% of all retrofit opportunities, and HVAC may account for 60% and the remaining 20% would be "other" (e.g. vending misers, software controls, etc). Retrofits energy savings are TBD.



<b>RCx and MBCx</b>	<p>Identify County buildings for possible RCx/MBCx opportunities, secure RCx/MBCx vendors and being Investigation process for implementation. RCx has typically accounted for 90% of all projects completed by the partnership in the 2006-08 cycle. RCx/MBCx energy savings are TBD.</p>	<p>Identify County buildings for possible RCx/MBCx opportunities, secure RCx/MBCx vendors and being Investigation process for implementation. RCx has typically accounted for 90% of all projects completed by the partnership in the 2006-08 cycle. RCx/MBCx energy savings are TBD.</p>	<p>Identify County buildings for possible RCx/MBCx opportunities, secure RCx/MBCx vendors and being Investigation process for implementation. RCx accounted for 90% of all projects completed by the partnership in the 2006-08 cycle. RCx/MBCx energy savings are TBD.</p>
<b>New Construction</b>	<p>Communicate Integration Strategy between internal departments and offerings and incentive structure. LA County has not typically had a lot of new construction projects, however the partnership has earmarked budget and expected kWh/kW savings for remodeling projects and some new buildings anticipated within the cycle (libraries, data center, etc). Energy savings from New Construction are TBD.</p>	<p>Communicate Integration Strategy between internal departments and offerings and incentive structure. LA County has not typically had a lot of new construction projects, however the partnership has earmarked budget and expected kWh/kW savings for remodeling projects and some new buildings anticipated within the cycle (libraries, data center, etc). Energy savings from New Construction are TBD.</p>	<p>Communicate Integration Strategy between internal departments and offerings and incentive structure. LA County has not typically had a lot of new construction projects, however the partnership has earmarked budget and expected kWh/kW savings for remodeling projects and some new buildings anticipated within the cycle (libraries, data center, etc). Energy savings from New Construction are TBD.</p>
<b>kWh/kW Total Savings</b>	<p>TBD kWh TBD kW</p>	<p>TBD kWh TBD kW</p>	<p>TBD kWh TBD kW</p>

<b>Core Program Integration</b>			
<b>Education and Outreach</b>	Utilize CTAC and other existing resources for training and education of County staff, specifically on RCx sustainability, EE and DR integration.	Utilize CTAC and other existing resources for training and education of County staff, specifically on RCx sustainability, EE and DR integration.	Utilize CTAC and other existing resources for training and education of County staff, specifically on RCx sustainability, EE and DR integration.
<b>Financial Solutions: On-Bill Financing</b>	Continue work with IOU and County council to broker an acceptable Agreement to take advantage of OBF, if at all possible. If County is not able to participate, this will not be an element of the partnership. If agreement is reached, then partnership will identify qualified projects and implement energy efficiency measures offset by OBF.	Continue work with IOU and County council to broker an acceptable Agreement to take advantage of OBF, if at all possible. If County is not able to participate, this will not be an element of the partnership. If agreement is reached, then partnership will identify qualified projects and implement energy efficiency measures offset by OBF.	Continue work with IOU and County council to broker an acceptable Agreement to take advantage of OBF, if at all possible. If County is not able to participate, this will not be an element of the partnership. If agreement is reached, then partnership will identify qualified projects and implement energy efficiency measures offset by OBF.
<b>California Solar Initiative: CSI</b>	Implement communication plan for ensuring partners have been educated on solar potential of County buildings, and work with County on their proposed Solar Web site which would allow constituents to estimate kWh reductions and costs/payback. (Outreach and Education Effort).	Work through the Partnership team to continue education, and look for opportunities for solar installation within the County. Possibly target new construction projects for solar technology. Continue any progress on County initiated Solar Web site.	Complete documentation of participation potential and what is necessary for partners to participate, if any potential projects were identified.

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Note: These are estimated targets. The program will need to have flexibility in allocating resources to each program elements to ensure overall program success.

## **6. Other Program Element Attributes**

### **a) Best Practices**

The partnership will continue lessons learned from previous partnership cycles, most significantly in the Retro-Commissioning (RCx) arena. The LA County Energy Efficiency Partnership has been a strong leader in this area and has successfully implemented RCx projects in more than 30 buildings over the previous 2 partnership cycles (2004-2008) saving the County millions of dollars in avoided energy costs, maintenance, and operations, as well as saving more than 17 Million kWh. Lessons learned about timeline, implementation, monitoring and reporting will be applied to the current cycle to capture efficiencies and streamline processes. Additionally, the communication process and teamwork approach best-practices will continue to be implemented and improved upon in the next cycle, so that all stakeholders share responsibilities, risk and reward.

### **b) Innovation**

For 2009 – 2011 the partnership team will continue working collaboratively with County staff to deliver energy efficiency elements and demand-side management activities in support of the County's aggressive Policy goal of reducing energy consumption in County facilities by 20% by the year 2015. The partnership will seek to identify and implement energy efficiency projects in "hard to reach" County-affiliated public agencies. By working with the County's water and wastewater utilities not only will energy saving projects be identified, the partnership will support a potential CEC Pier energy grant to identify and implement water savings measures that produce energy savings in water pumping and treatment.

## **Environmental Stewardship**

Under the County's Energy and Environmental Policy, the County has joined the CA Climate Action Registry and Cool Counties signifying the County's intent to establish its "environmental footprint" by quantifying greenhouse gas (GHG) production responsibility, commit to reducing its GHG production in support of state and federal programs, and developing a climate action plan. The County's Policy identifies energy efficiency, renewable resources, and water efficiency as key areas in reducing GHG production. Through the reduction of electric and gas consumption this program will greatly reduce the production of (GHG). SCE will calculate the reduction of CO2 reduction in tons by calculating the annual life-cycle energy savings, in accordance with California Assembly Bill 32 (AB 32) which caps global warming emissions to 2000 levels by 2010 (11% below business as usual), to 1990 levels by 2020 (25% below business as usual), and 80% below 1990 levels by 2050.

The County Policy also establishes a number of waste reduction, landfill diversion, recycling, alternative transportation/green fleet, green purchasing and other environmental programs for both County employees and constituents that are part of the Environmental Stewardship category under the Policy.

## **Public Education and Outreach**

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PARTNERSHIP PROGRAM**

The County holds regular County Energy & Environmental Fairs for employees and constituents as part of its Public Education and Outreach category under the Policy. The utilities have participated in the past two quarterly fairs.

The County is a founding member and current chair of the Local Government Sustainable Energy Coalition. The Local Government Sustainable Energy Coalition is an association of California public entities formed to share information and resources to strengthen and leverage their communities' commitments to a sustainable energy future – a future that provides for essential energy resources, restrains energy demand, increases energy efficiency and renewable energy production, and improves energy security and reliability, while enhancing environmental values and community well-being. The County will work through its utility partnership to grow the Coalition in an effort to increase energy and sustainability knowledge throughout the southern California region's local governments and public agencies.

### **Sustainable Building Design**

Under its Policy, the County requires U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) certification at the Silver level for new County buildings greater than 50,000 square feet. LEED certification is a designation offered by the USGBC to recognize projects that optimize energy and water use efficiency, enhance the sustainability of the project site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

The partnership team will identify and support the appropriate energy efficiency elements of the LEED certification process. SCE's Savings By Design programs will be leveraged for technical resources and incentives to support the sustainable design initiative. The team will identify opportunities to support the energy efficiency element of the County's effort on the Green Building component of the Sustainable Design initiative. These energy savings will be accomplished by evaluating the energy efficiency potential of existing buildings and then implementing retrofits and/or retro commissioning in some of those buildings. Additional savings will be achieved by working in the early stages of new construction projects to assure the most energy-efficient design acceptable to the County (and to increase the desire to make highly energy-efficient designs "acceptable").

The County is also currently investigating the feasibility of adoption of LEED certification for existing buildings. Similarly, utility incentive programs and the partnership will be leveraged to enhance the energy efficiency aspects of any LEED EB program adopted by the County.

Additionally, the County Policy includes a program to investigate the requirement of LEED certification (or other certification standard) for privately developed buildings in County unincorporated area. The goal is to develop and implement a County ordinance requiring certification for new residential and commercial construction. The partnership may help support this program through public education and outreach on green building benefits, advertising of existing incentives, technical resources, and pilot program incentives. A draft ordinance is before the County's Regional Planning Commission and additional public hearings and presentations to the Board of Supervisors are still being scheduled. It will be

the partnership's goal to help this ordinance pass and provide early (pilot program) incentives to assist in its implementation.

**c) Interagency Coordination**

Coordination with the California Air Resource Board (CARB), California Energy Commission (CEC), and Public Interest Energy Research (PIER) or Codes and Standards; and others as opportunities arise.

**d) Integrated/coordinated Demand Side Management**

The partnership will continue integration to other IOU energy programs such as the demand response, solar initiative, and self-generation programs, as well as related agricultural, water efficiency, and green building programs. Demand response programs provide tariff-based benefits to customers implementing demand response activities. For demand response initiatives involving the purchase and installation of equipment by SCE business customers, a plan will be developed to provide a financial incentive for energy savings resulting from the equipment supplied through the partnership program. The partnership will look for opportunities to integrate demand response and other DSM services into the program implementation plan. Resources will be leveraged to improve implementation efficiency. IOU energy efficiency and demand response program staff will collaborate with partners to conduct comprehensive audits and identify energy efficiency measures and demand response opportunities. The approach will reduce technical resources by combining EE/DR audits to avoid duplication and collaborate on incentive offerings which will all minimize customer interruptions.

**e) Integration across resource types (energy, water, air quality, etc.)**

See Section 4 above.

**f) Pilots**

There are currently no pilot projects incorporated into the partnership. Any future pilot opportunities will be considered and agreed upon by all partnership parties.

**g) EM&V**

See the I&G Core PIP, Section 6h.

**7. Partnership Program Advancement of Strategic Plan Goals and Objectives:**

**Table 6**

California Long Term Energy Efficiency Strategic Plan (Strategic Plan) Strategy	Approach to Achieving Strategic Plan Goal
<b>1-1: Develop, adopt and implement model building energy codes (and/or other green codes) more stringent than Title 24's requirements, on both a mandatory and voluntary basis; adopt one or two additional tiers of increasing stringency.</b>	<b>Partnership will work with LA County policy makers to adopt and implement building or new construction goals that exceed Title 24 requirements by a percentage determined by the County (e.g. all new construction in the County will be more than X% above T24)</b>
<b>1-2: Establish expedited permitting and entitlement approval processes, fee structures and other incentives for green buildings and other above-code developments.</b>	<b>Not expected to be influenced by partnership activities; however, the Partnership is supportive of the County's role in any permitting or expedited approval policy for green building.</b>
<b>1-3: Develop, adopt and implement model point-of-sale and other point-of transactions relying on building ratings.</b>	<b>Not expected to be influenced by partnership activities, however the partnership is supportive of the County's role in any permitting or expedited approval policy for green building.</b>
<b>1-4: Create assessment districts or other mechanisms so property owners can fund EE through city bonds and pay off on property taxes; develop other EE financing tools.</b>	<b>Not expected to be influenced in the LA County Energy Efficiency Partnership.</b>
<b>1-5: Develop broad education program and peer-to-peer support to local government's to adopt and implement model reach codes.</b>	<b>Develop information campaign on mechanics and benefits of model programs targeting local government decision-makers and community leaders and Board of Supervisors.</b>
<b>1-6: Link emission reductions from "reach" codes and programs to CARB's AB 32 program.</b>	<b>CARB adopts regulation providing local government emission reduction credit for "reach" standards. State Attorney General and Office of Planning &amp; Research provide guidance on using CEQA authority to target energy and GHG savings in LG development authority.</b>

California Long Term Energy Efficiency Strategic Plan (Strategic Plan) Strategy	Approach to Achieving Strategic Plan Goal
<b>2-2: Dramatically improve compliance with and enforcement of Title 24 building code, and of HVAC permitting and inspection requirements (including focus on peak load reductions in inland areas).</b>	<b>Support partners to improve compliance. See Codes &amp; Standards PIP.</b>
<b>2-3: Local inspectors and contractors hired by local governments shall meet the requirements of the energy component of their professional licensing (as such energy components are adopted).</b>	<b>Support partners to improve compliance. See Codes &amp; Standards PIP.</b>
<b>3-1: Adopt specific goals for efficiency of local government buildings, including:</b>	<b>Support implementation of local policies for LEED new construction and existing buildings.</b>
<b>3-2: Require commissioning for new buildings, and re-commissioning and retro-commissioning of existing buildings.</b>	<b>Support benchmarking of targeted buildings against ratings such as ENERGY STAR and its Portfolio Manager. Continue commissioning programs on selected high-use buildings.</b>
<b>3-4: Explore creation of line item in LG budgets or other options that allow EE cost savings to be returned to the department and/or projects that provided the savings to fund additional efficiency.</b>	<b>Explore and document model policies and mechanisms by June 2010 Implementation plan in place by Dec 2010 for mechanisms to fund.</b>
<b>3-5: Develop innovation Incubator that competitively selects initiatives for inclusion in LG pilot projects.</b>	<b>Coordinate this approach with Research &amp; Technology activities. Develop and begin first projects by December 2010.</b>
<b>4-1: LGs commit to clean energy/climate change leadership.</b>	<b>Assist initial set of local governments in commitments; develop and communicate appropriate messages.</b>
<b>4-2: Use local governments' general plan energy and other elements to promote energy efficiency, sustainability and climate change.</b>	<b>Develop model General Plan (Energy Plan already adopted by the County of LA) amendments. Leaders among local governments adopt policies in General Plan elements. Publicize to other local governments.</b>

California Long Term Energy Efficiency Strategic Plan (Strategic Plan) Strategy	Approach to Achieving Strategic Plan Goal
<b>4-4: Develop local projects that integrate EE/DSM/water/wastewater end use.</b>	<b>Help identify targeted opportunities and challenges for more energy/environmentally integrated development and infrastructure. Develop and implement pilot projects, such as the California Sustainable Communities Initiative.</b>
<b>4-5: Develop EE-related “carrots” and “sticks” using local zoning and development authority.</b>	<b>Not expected to be influenced in the LA County Energy Efficiency Partnership.</b>



## EXHIBIT C

### Agency Project Package – RETROFIT, MBCX AND RCX

- C-1: Form of Project Application
- C-2: Form of Project Agreement
- C-3: Project Payment Form
- C-4: Form of Project Invoice
- C-5: Form of Project Completion

### Agency Project Package – NEW CONSTRUCTION

- C-6: Form of Letter of Interest
- C-7: Form of Partnership New Construction Agreement for Customer Incentives
- C-8: Form of Partnership New Construction Agreement for Design Team Incentives
- C-9: New Construction Project Payment Form for Customer Incentives
- C-10: New Construction Project Payment Form for Design Team Incentives
- C-11: Form of Project Invoice
- C-12: Form of Project Completion

EXHIBIT D  
INCENTIVE RATES

The incentive rates for LA County shall be as follows:

<b><u>Category</u></b>	<b><u>Rate</u></b>
Lighting	\$0.15/kWh
Motors/VFDs/Compressors/Others	\$0.18/kWh
HVAC with electrical savings	\$0.24/kWh
All gas savings	\$1.00/Therm
RCx/MBCx	\$0.24/kWh
Partnership New Construction Program	\$0.10/kWh in addition to the standard incentive earned under the Partnership New Construction Program, and any applicable Design Team Incentives.

## **EXHIBIT E**

### **REPORTING REQUIREMENTS**

#### **1. Reporting**

1.1 LA County shall provide each respective Utility with the requisite information, in accordance with the Agreement, on the prior month's activities, accomplishments and expenditures related to its respective Authorized Work or Approved Project obligations, for purposes of preparing the Monthly, Quarterly and Annual Reports.

1.2 Each Utility shall provide LA County in accordance with the provisions of the Agreement, a copy of its filed Monthly Report within five (5) Business Days after filing.

#### **2. Quarterly Report**

##### **2.1 Portfolio Benefit/Cost Metrics (Cumulative to Date)**

- a. Total cost to billpayers (TRC, administrative cost and incremental cost per the Standard Practice Manual)
- b. Total savings to billpayers (TRC)
- c. Net benefits to billpayers (TRC)
- d. TRC Ratio
- e. PAC Ratio
- f. Cost per kWh saved (cents/kWh) (PAC)
- g. Cost per therm savings (\$/therm) (PAC)

**2.2 Measure List** –A spreadsheet table for each program or program element<sup>18</sup> containing each measure installed, service rendered, or measure/service committed during the report month for which the Program intends to claim savings. LA County should include any new measures as part of the quarterly report. The list should display each measure as it is tracked and recorded by LA County, and should include the following parameters at a minimum:

- a. Name of Measure or Service Rendered
- b. Measure or Service Description
- c. DEER Measure ID (where applicable)
- d. DEER Run ID (where applicable)
- e. Unit Definition
- f. Unit gross kWh savings
- g. Unit gross Therms savings
- h. Unit gross kW demand reduction
- i. Incremental Measure Cost
- j. Net to Gross Ratio
- k. Effective Useful Life
- l. Detailed end use classification (using classification scheme in section 6)
- m. Quantity Installed during report period
- n. Quantity Committed during report period

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<sup>18</sup> Identification of distinct programs and program elements may be determined by CPUC staff at a later time.

- o. Rebate amount paid
- p. Market Sector classification (using classification scheme in section 6)
- q. Market Segment classification (using classification scheme in section 6)

**2.3 Expenditures** for the program per cost reporting format below (Section 7 below contains list of allowable costs)

- h. Commission Authorized Budget
- i. Operating Budget
- j. Total Expenditures
  - i. Administrative Cost
  - ii. Marketing/Advertising/Outreach Costs
  - iii. Direct Implementation

**2.4 GBI Report** – Progress towards achieving goals of the Green Building Initiative, if applicable (Cumulative results)

- a. Estimate of expenditures on program activities that contribute towards GBI goals (including both public and non-public commercial participants)
- b. Net cumulative achieved kW, kWh and Therm savings contributing towards GBI goals.
- c. Net achieved kW, kWh and Therm savings contributing towards GBI goals for the quarter.
- d. A description of non-resource program activities that support the Green Building Initiative, including marketing and outreach activities.
- e. Estimate of square footage affected by program activities supporting the Green Building Initiative
- f. Items b, c and e above disaggregated by:
  - i. 2-digit NAICS code
  - ii. Aggregated end use classification (using classification scheme in section 5)

**2.5 Program Narratives** – For the program, a description of the program activities occurring during the quarter.

- k. Administrative activities
- l. Marketing activities
- m. Direct Implementation activities
- n. Implementer's assessment of program performance and program status (is the program on target, exceeding expectations, or falling short of expectations, etc.)
- o. For non-resource programs and program elements (programs or program elements that are not claiming direct energy impacts), a discussion of the status of program achievements.
- p. Discussion of changes in program emphasis (new program elements, less or more emphasis on a particular delivery strategy, program elements discontinued, measure discontinued, etc.)
- q. Discussion of near term plans for program over the coming months (e.g., marketing and outreach efforts that are expected to significantly increase program participation, etc.)

- r. Changes to staffing and staff responsibilities, if any
- s. Changes to contacts, if any
- t. Changes to subcontractors and subcontractor responsibilities, if any
- u. Number of customer complaints received
- v. Program Theory and Logic Model if not already provided in the program's implementation plan, or if revisions have been made.

**2.6 Quarterly Reports** – Each Utility shall provide LA County a copy of its filed Quarterly Report within five (5) Business Days after filing with the Commission in accordance with the Agreement.

### **3. Annual Reports**

The format and content of the annual report is expected to be developed by the CPUC in fall 2006. LA County will be required to fulfill these reporting obligations for their program.

### **4. Reporting Terminology Definitions**

**Adopted Program Budget** – The program budget as it is adopted by the Commission. Inclusive of costs (+/-) recovered from other sources.

**Operating Program Budget** – The program budget as it is defined by the program administrators for internal program budgeting and management purposes. Inclusive of costs (+/-) recovered from other sources.

**Direct Implementation Expenditures** – Costs associated with activities that are a direct interface with the customer or program participant or recipient (e.g., contractor receiving training). *(Note: This is still an open issue, the items included in this definition may be changed by the CPUC pending discussion on the application of the State's Standard Practice Manual.)*

**Report Month** – The month for which a particular monthly report is providing data and information. For example, the report month for a report covering the month of July 2006, but prepared and delivered later than July 2006, would be July 2006.

**Program Strategy** – The method deployed by a program in order to obtain program participation.

**Program Element** – A subsection of a program, or body of program activities within which a single program strategy is employed. (Example: A body of program activities employing both an upstream rebate approach and a direct install approach is not a single program element.)

### **5. Measure Classification**

#### **Measure End-Use Classification**

Each energy efficiency measure reported should be classified into one of the following end-use categories

***Residential End Uses******Detailed End Use***

Clothes Dryer  
 Clothes Washer  
 Consumer Electronics  
 Cooking  
 Dishwasher  
 Other Appliance  
 Building Shell  
 Space Cooling  
 Space Heating  
 Interior Lighting  
 Exterior Lighting  
 Pool Pump  
 Freezers  
 Refrigeration  
 Water Heating  
 Other (User Entered Text String Description)

***Aggregated End Use***

Appliances  
 Appliances  
 Consumer Electronics  
 Cooking Appliances  
 Appliances  
 Appliances  
 HVAC  
 HVAC  
 HVAC  
 Lighting  
 Lighting  
 Pool Pump  
 Refrigeration  
 Refrigeration  
 Water Heating  
 Other

***Nonresidential End Uses******Detailed End Use***

Building Shell  
 Space Cooling  
 Space Heating  
 Ventilation  
 Daylighting  
 Interior Lighting  
 Exterior Lighting  
 Office Equipment  
 Compressed Air  
 Cooking  
 Food Processing  
 Motors  
 Process Cooling  
 Process Heat  
 Process Steam  
 Pumps  
 Refrigeration  
 Other (User Entered Text String Description)

***Aggregated End Use***

HVAC  
 HVAC  
 HVAC  
 HVAC  
 Lighting  
 Lighting  
 Lighting  
 Office  
 Process  
 Process  
 Process  
 Process  
 Process  
 Process  
 Process  
 Process  
 Refrigeration  
 Other

**Measure Market Sector/Market Segment Classification**

Where reports require market sector or market segment classification, the following classification scheme should be used.

***Market Sector******Market Segment***

Residential	NA
Single Family	NA
Multi Family	NA
Mobile Homes	NA
Nonresidential	NAICS CODE (greater than 2 digit not required)
Commercial	NAICS CODE (greater than 2 digit not required)

Industrial  
Agricultural  
Unknown

NAICS CODE (greater than 2 digit not required)  
NAICS CODE (greater than 2 digit not required)  
NA

## 6. Allowable Costs

Allowable Costs Table	
The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.	
	3/30/2006
Cost Categories	Allowable Costs
Administrative Cost Category	<b>Managerial and Clerical Labor</b>
	IOU Labor - Clerical
	IOU Labor - Program Design
	IOU Labor - Program Development
	IOU Labor - Program Planning
	IOU Labor - Program/Project Management
	IOU Labor - Staff Management
	IOU Labor - Staff Supervision
	Subcontractor Labor - Clerical
	Subcontractor Labor - Program Design
	Subcontractor Labor - Program Development
	Subcontractor Labor - Program Planning
	Subcontractor Labor - Program/Project Management
	Subcontractor Labor - Staff Management
	Subcontractor Labor - Staff Supervision
	<b>Human Resource Support and Development</b>
	IOU Labor - Human Resources
	IOU Labor - Staff Development and Training
	IOU Benefits - Administrative Labor
	IOU Benefits - Direct Implementation Labor
	IOU Benefits - Marketing/Advertising/Outreach Labor
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor
	IOU Pension - Administrative Labor
	IOU Pension - Direct Implementation Labor
	IOU Pension - Marketing/Advertising/Outreach Labor
	Subcontractor Labor- Human Resources
	Subcontractor Labor - Staff Development and Training
	Subcontractor Benefits - Administrative Labor
	Subcontractor Benefits - Direct Implementation Labor
	Subcontractor Benefits - Marketing/Advertising/Outreach Labor
	Subcontractor Payroll Tax - Administrative Labor
	Subcontractor Payroll Tax - Direct Implementation Labor
	Subcontractor Payroll Tax - Marketing/Advertising/Outreach Labor
	Subcontractor Pension - Administrative Labor
	Subcontractor Pension - Direct Implementation Labor
	Subcontractor Pension - Marketing/Advertising/Outreach Labor
	<b>Travel and Conference Fees</b>

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AGREEMENT TO JOINTLY DELIVER THE 2010-2012 LA COUNTY/IOU ENERGY EFFICIENCY  
PARTNERSHIP PROGRAM

**Allowable Costs Table**

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Cost Categories	Allowable Costs
	IOU Conference Fees
	IOU Labor - Conference Attendance
	IOU Travel - Airfare
	IOU Travel - Lodging
	IOU Travel - Meals
	IOU Travel - Mileage
	IOU Travel - Parking
	IOU Travel - Per Diem for Misc. Expenses
	Subcontractor - Conference Fees
	Subcontractor Labor - Conference Attendance
	Subcontractor - Travel - Airfare
	Subcontractor - Travel - Lodging
	Subcontractor - Travel - Meals
	Subcontractor - Travel - Mileage
	Subcontractor - Travel - Parking
	Subcontractor - Travel - Per Diem for Misc. Expenses
	<b>Overhead (General and Administrative) - Labor and Materials</b>
	IOU Equipment Communications
	IOU Equipment Computing
	IOU Equipment Document Reproduction
	IOU Equipment General Office
	IOU Equipment Transportation
	IOU Food Service
	IOU Office Supplies
	IOU Postage
	IOU Labor - Accounting Support
	IOU Labor - Accounts Payable
	IOU Labor - Accounts Receivable
	IOU Labor - Administrative
	IOU Labor - Facilities Maintenance
	IOU Labor - Materials Management
	IOU Labor - Procurement
	IOU Labor - Shop Services
	IOU Labor - Transportation Services
	IOU Labor - Automated Systems
	IOU Labor - Communications
	IOU Labor - Information Technology
	IOU Labor - Telecommunications
	Subcontractor Equipment Communications
	Subcontractor Equipment Computing
	Subcontractor Equipment Document Reproduction
	Subcontractor Equipment General Office
	Subcontractor Equipment Transportation
	Subcontractor Food Service
	Subcontractor Office Supplies
	Subcontractor Postage



**Allowable Costs Table**

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.

Cost Categories	Allowable Costs	3/30/2006
	Subcontractor Labor - Accounting Support	
	Subcontractor Labor - Accounts Payable	
	Subcontractor Labor - Accounts Receivable	
	Subcontractor Labor - Facilities Maintenance	
	Subcontractor Labor - Materials Management	
	Subcontractor Labor - Procurement	
	Subcontractor Labor - Shop Services	
	Subcontractor Labor - Administrative	
	Subcontractor Labor - Transportation Services	
	Subcontractor Labor - Automated Systems	
	Subcontractor Labor - Communications	
	Subcontractor Labor - Information Technology	
	Subcontractor Labor - Telecommunications	
<b>Marketing/Advertising/Outreach Cost Category</b>		
	IOU - Advertisements / Media Promotions	
	IOU - Bill Inserts	
	IOU - Brochures	
	IOU - Door Hangers	
	IOU - Print Advertisements	
	IOU - Radio Spots	
	IOU - Television Spots	
	IOU - Website Development	
	IOU Labor - Marketing	
	IOU Labor - Media Production	
	IOU Labor - Business Outreach	
	IOU Labor - Customer Outreach	
	IOU Labor - Customer Relations	
	Subcontractor - Bill Inserts	
	Subcontractor - Brochures	
	Subcontractor - Door Hangers	
	Subcontractor - Print Advertisements	
	Subcontractor - Radio Spots	
	Subcontractor - Television Spots	
	Subcontractor - Website Development	
	Subcontractor Labor - Marketing	
	Subcontractor Labor - Media Production	
	Subcontractor Labor - Business Outreach	
	Subcontractor Labor - Customer Outreach	
	Subcontractor Labor - Customer Relations	
<b>Direct Implementation Cost Category</b>		
	<b>Financial Incentives to Customers</b>	
	<b>Activity - Direct Labor</b>	
	IOU Labor - Curriculum Development	
	IOU Labor - Customer Education and Training	
	IOU Labor - Customer Equipment Testing and Diagnostics	
	IOU Labor - Facilities Audits	

**Allowable Costs Table**

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.

**3/30/2006****Cost Categories****Allowable Costs**

	Subcontractor Labor - Facilities Audits
	Subcontractor Labor - Curriculum Development
	Subcontractor Labor - Customer Education and Training
	Subcontractor Labor - Customer Equipment Testing and Diagnostics
	<b>Installation and Service - Labor</b>
	IOU Labor - Customer Equipment Repair and Servicing
	IOU Labor - Measure Installation
	Subcontractor Labor - Customer Equipment Repair and Servicing
	Subcontractor Labor - Customer Equipment Repair and Servicing
	<b>Direct Implementation Hardware and Materials</b>
	IOU Audit Applications and Forms
	IOU Direct Implementation Literature
	IOU Education Materials
	IOU Energy Measurement Tools
	IOU Installation Hardware
	Subcontractor - Direct Implementation Literature
	Subcontractor - Education Materials
	Subcontractor - Energy Measurement Tools
	Subcontractor - Installation Hardware
	Subcontractor - Audit Applications and Forms
	<b>Rebate Processing and Inspection - Labor and Materials</b>
	IOU Labor - Field Verification
	IOU Labor - Site Inspections
	IOU Labor - Rebate Processing
	IOU Rebate Applications
	Subcontractor Labor - Field Verification
	Subcontractor Labor - Rebate Processing
	Subcontractor - Rebate Applications

**EXHIBIT F**

**LA County Approved project list from 2009**

Project # ... Harbor Hospital Retro-Commissioning Project (details to be populated ASAP)